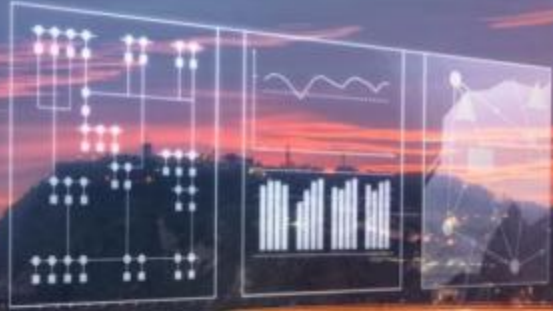


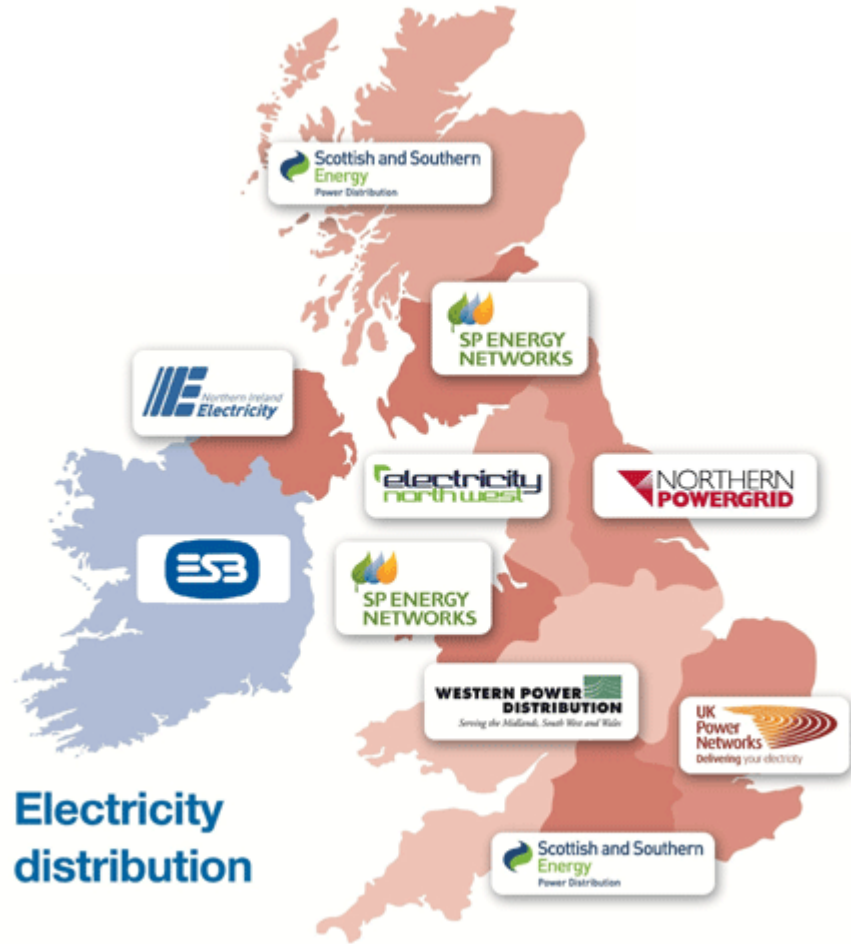
Grid Connected
Energy
Demand
Supply



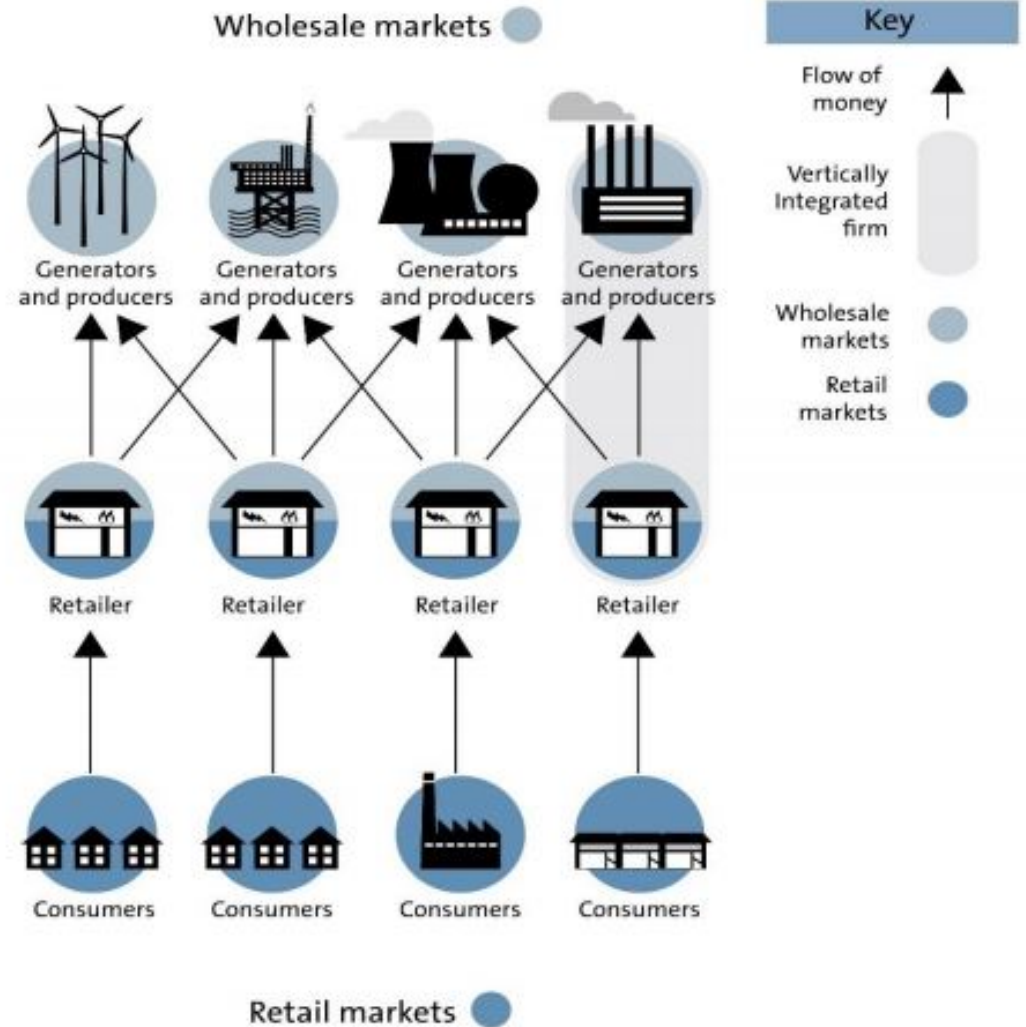
Retail Choice in the UK

Chris King, Global Chief Policy Officer

Market Overview



Electricity distribution



Deregulation Milestones in UK

Retail choice

- ❖ Available to all customers starting 1999
- ❖ Retailers had wide latitude in offerings
 - Over 500 tariffs in market
 - Variety of payment choices
 - Door-to-door selling
- ❖ Metering provided as a competitive service
 - Customers had multiple choices
 - ✓ Meter
 - ✓ Meter operator
 - ✓ Meter data provider
 - Most consumers relied on retailer
 - Very few smart meters deployed
- ❖ Low customer engagement

Regulatory evolution

- ❖ **2008** universal smart meter rollout announced for:
 - Better energy usage feedback
 - Time-varying pricing options
 - Improved retailer switching
- ❖ **2012** Retail Market Review mandated:
 - Reduced tariff complexity
 - Default “evergreen tariff”
 - Standardized customer communications, bill comparisons, and bill formats
 - Regular updates on available tariffs
 - Prohibition on door-to-door selling
 -
- ❖ **2016** Energy Market Investigation ordered:
 - Enhanced Price Comparison websites
 - Price cap for prepayment customers
 - Added protections for small businesses

UK Retail Choice

Consumer Choices



SIEMENS
Ingenuity for Life

1. Retailer

- Both electricity and gas
- Market dominated by “Big Six”
- Recent increase in number of retailers and their market share

2. Payment method

- Standard credit, debit, prepayment

3. Tariff

- Standard variable (default)
- Fixed
- Time-of-use

“36% of [consumers] either did not think it was possible or did not know if it was possible to change one or more of ...tariff, payment method, and supplier.”

Number of active domestic suppliers by fuel type (GB)

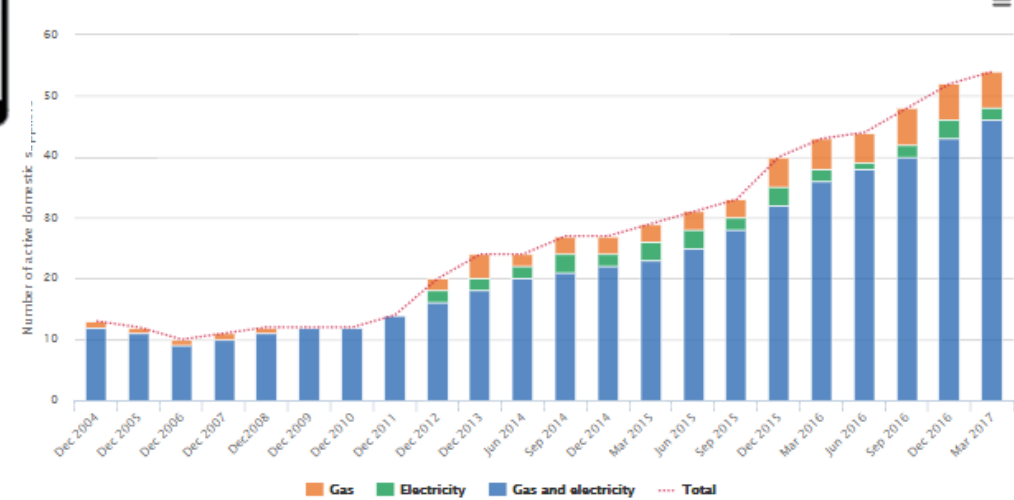


Chart Link

Source: Ofgem analysis of distribution network operator (DNO) and supplier reports. Information correct as of: March 2017

Electricity supply market shares by company: Domestic (GB)

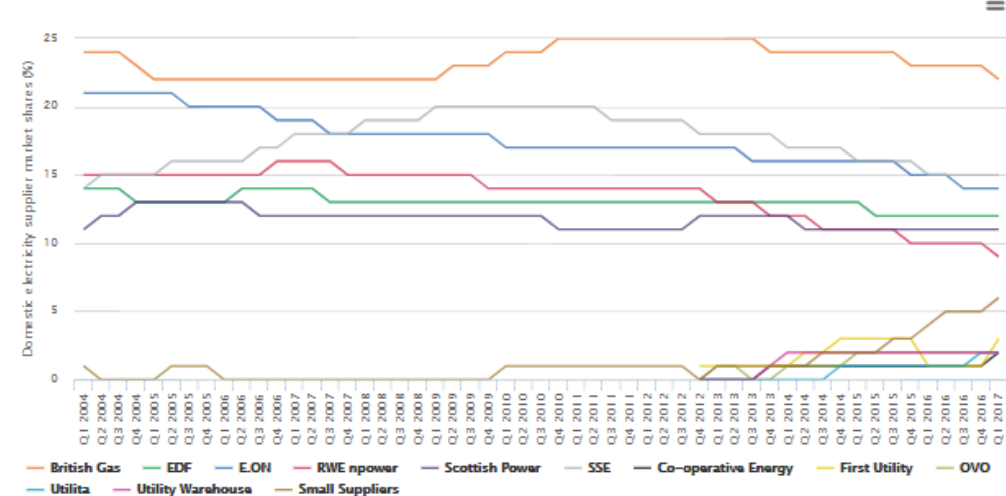


Chart Link

Source: Ofgem analysis of electricity distribution network operator reports. Information correct as of: March 2017

Market Indicators

Prices

Retail price comparison by company and tariff type: Domestic (GB)

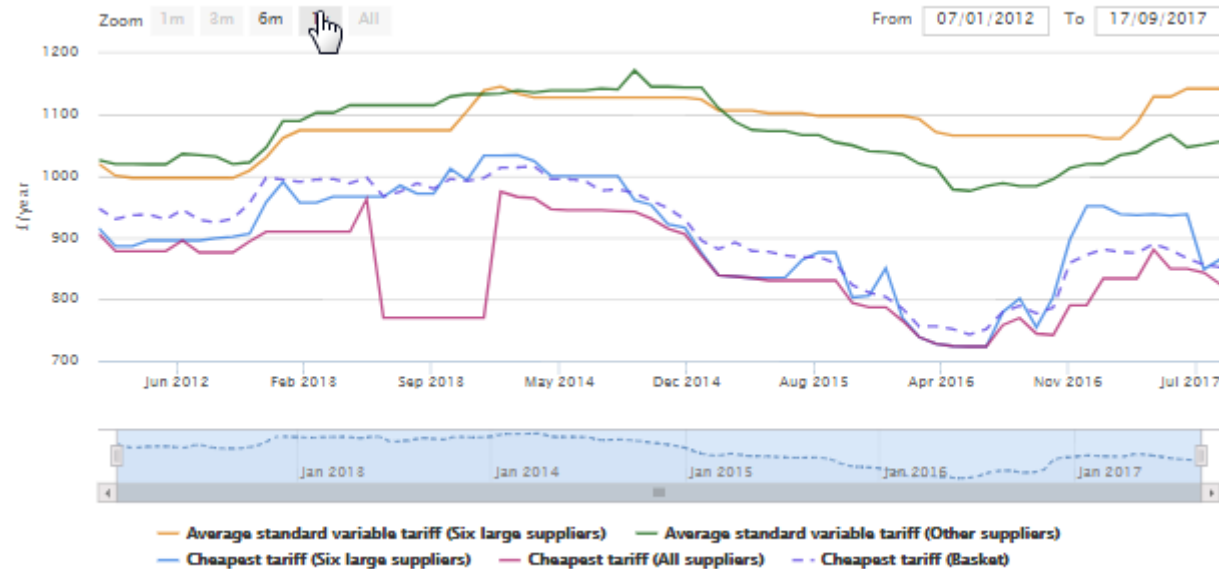


Chart Link

Source: Energylink (Until May 2017) & Energyhelpline (June 2017 onwards).
Information correct as of: 17/09/2017

Retailer Profits

Pre-tax domestic supply margins of large suppliers, combined gas and electricity

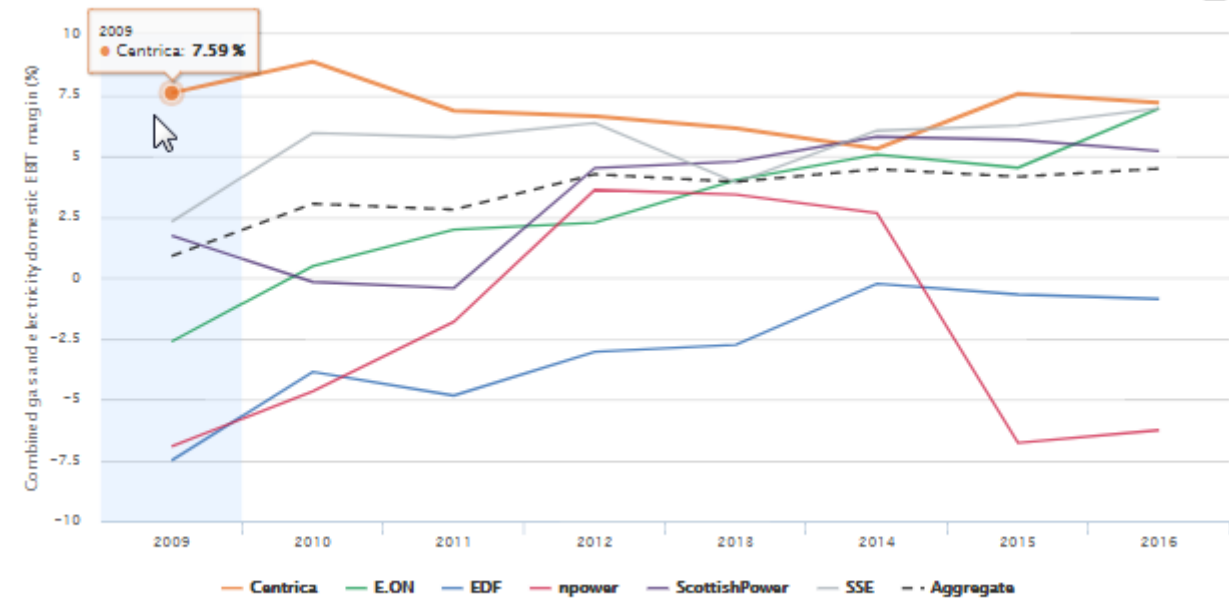


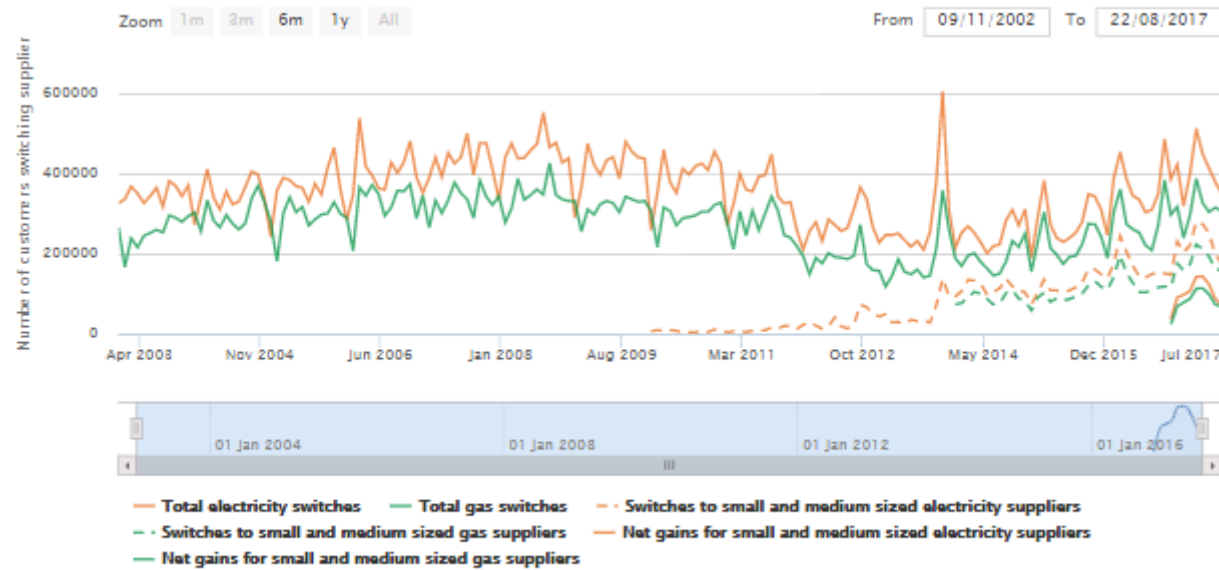
Chart Link

Source: Companies' consolidated segmental statements.
Information correct as of: August 2017

Market Indicators

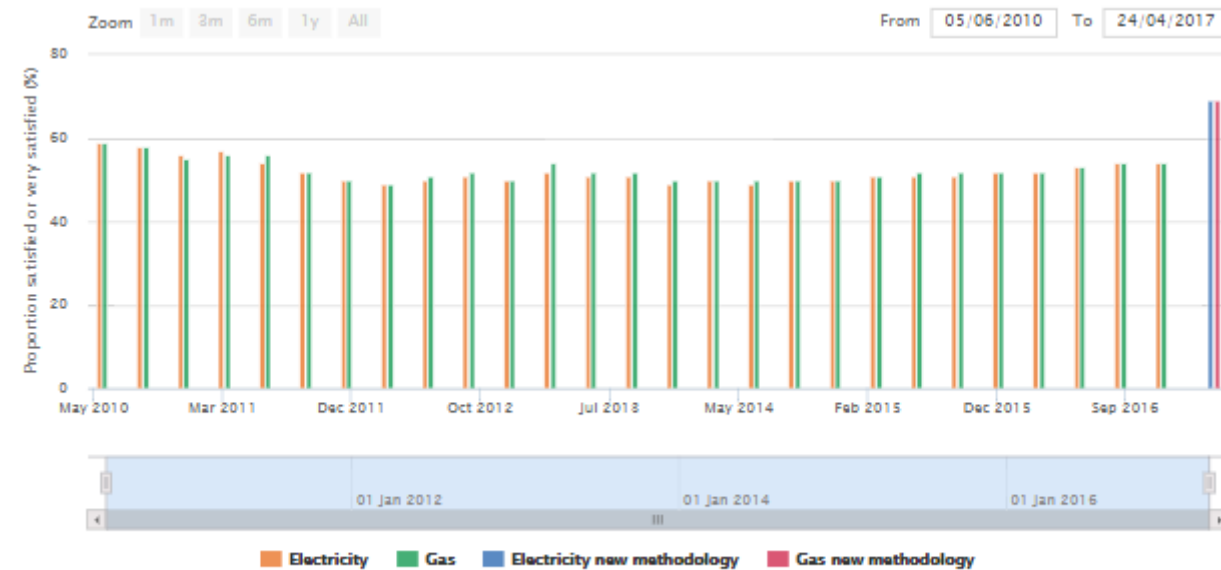
Customer Switching

Number of domestic customers switching supplier by fuel type (GB)



Satisfaction

Energy customers satisfied or very satisfied with their supplier's services (GB)



Learnings

Successes

- Many choices
- Growing participation by innovative market entrants
- Cost management

Challenges

- Complexity
- Bill and rate comparisons
- No data access standards
- Lack of consumer enthusiasm

The screenshot displays a user interface for selecting energy plans. On the left, there are filters for 'Your plans', 'Show me', 'Paid by', 'Rate type', 'Choose suppliers', and 'Plan features'. The main area shows a grid of plan cards for different suppliers.

Supplier	Plan Name	Rate Type	Fixed Term	Annual Cost	Key Features
bulb	Vari-Fair	Variable	None	£284.82 per year	100% renewable electricity, no fee to leave early
iSupply energy	iFix 12-Month Nov18v2	Fixed	12 months	£230.26 per year	100% renewable electricity
First Utility	Smart First January 2019 Online	Fixed	15 months	£225.39 per year	uSwitch Award: Supplier of the Year Runner-Up
iSupply energy	iFix 16-Month Mar19	Fixed	16 months	£223.32 per year	100% renewable electricity

Thank you!

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