

Domestic Gas and Electricity (Tariff Cap) Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

Clause 1

LORD GRANTCHESTER

Page 1, line 3, leave out from beginning to “, the” and insert “By 28 October 2018 or five months after this Act is passed (whichever is the sooner),”

As an amendment to the first Amendment tabled by Lord Berkeley on sheet HL Bill 100(c)

After “cap” insert “or tariff cap exemption”

Page 2, line 15, at end insert –

“() the need to ensure that adequate protection exists for vulnerable domestic customers, including ensuring those customers who currently benefit under a cap imposed by the Authority on rates or amounts charged for, or in relation to, the supply of gas or electricity because they appear to the Authority to be vulnerable, retain those benefits.”

As an amendment to the Amendment tabled by Lord Mackay of Clashfern on sheet HL Bill 100(a)

At end insert –

“(13) The cost of an appeal initiated by a statutory consumer advocate for energy consumers must be met by the Exchequer.”

Clause 2

LORD GRANTCHESTER

Page 2, line 32, leave out paragraph (e)

Page 2, line 37, leave out “But tariff conditions may not” and insert “Tariff conditions may”

Clause 3

LORD GRANTCHESTER

Page 3, line 18, at end insert –

“() It is unlawful to exercise the power conferred by subsection (2)(b) if the customer has not provided a notice of their willingness to be exempt from the tariff cap (an “opt-in notice”).”

Page 3, line 20, at end insert –

“() A consultation under subsection (3) must actively seek the views of –

- (a) each holder of a supply licence;
- (b) the Secretary of State;
- (c) the statutory consumer advocates for energy customers; and
- (d) representatives of businesses and trade unions in the energy sector.”

Clause 7

LORD GRANTCHESTER

Page 4, line 38, at end insert –

“() The Secretary of State must within six months of the passing of this Act publish a statement outlining the criteria that are to be used by the Authority in the review to assess whether conditions are in place for effective competition for domestic supply contracts.”

Page 4, line 39, leave out from “must” to end of line 40 and insert “have regard to the extent to which –

- (a) progress has been made in installing smart meters for use by domestic customers;
- (b) incentives for holders of energy supply licences to improve their efficiency have been created;
- (c) holders of energy supply licences are able to compete effectively for domestic supply contracts;
- (d) incentives for domestic customers to switch to different supply contracts are in place;
- (e) the barriers which prevent customers from switching supply contracts quickly and easily are addressed;
- (f) holders of supply licences who operate efficiently are able to finance activities authorised by the licence;
- (g) holders of supply licences have eliminated practices that are to the detriment of customers in their tariff structures;
- (h) District Network Operator costs and dividends are proportionate to expectations and the impact of that on domestic supply contracts; and
- (i) vulnerable and disabled customers are adequately protected.”

Clause 8

LORD GRANTCHESTER

Page 5, line 20, leave out from “effect” to end of line 36 and insert “upon the completion of the smart meters programme unless the statement published by the Secretary of State under section 7 at the time of the completion of the smart meters programme is to the effect that the conditions are not yet in place for effective competition for domestic supply contracts, in which case the tariff cap conditions have effect for another year.

- () Tariff cap conditions can be extended repeatedly under the provisions in subsection (1) until the end of 2023 when they cease to have effect.”

Page 5, line 20, leave out from “2020” to end of line 36 and insert –

- “() The Secretary of State may by regulations extend the tariff cap conditions beyond 2020.
- () A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

After Clause 8

LORD GRANTCHESTER

Insert the following new Clause –

“Ongoing relative tariff differential

- (1) The Secretary of State must, during the term of the tariff cap conditions being in place, develop, ready for implementation, a relative tariff differential.
- (2) A relative tariff differential is a requirement on supply licence holders that the difference between the cheapest advertised rate and the most expensive standard variable or default rate shall be no more than a specified proportion of the cheapest advertised rate.
- (3) The Authority will be responsible for setting the proportion referred to in subsection (2).
- (4) The relative tariff differential shall take effect on the termination of the tariff cap conditions.”

Clause 9

LORD GRANTCHESTER

Page 5, line 42, leave out “or expedient”

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