Title: Implementation of the EU Energy Efficiency Directive: Billing Requirements	Impact Assessment (IA)
IA No: DECC0161	**Date:** 04/08/2014
	Stage: Final
Lead department or agency: Department of Energy and Climate Change	**Source of intervention:** EU
	Type of measure: Secondary legislation
Other departments or agencies:	**Contact for enquiries:** iven.stead@decc.gsi.gov.uk

Summary: Intervention and Options

RPC: GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value[1]	**Business Net Present Value**	**Net cost to business per year** (EANCB in 2009 prices)	**In scope of One-In, One-Out?**	**Measure qualifies as**
£-29.0m	£-29.0m	£1.5m	No	N/A

What is the problem under consideration? Why is government intervention necessary?

The EU Energy Efficiency Directive (2012/27/EU) entered into force on publication in the Official Journal of the EU on 14 November 2012.

Articles 10 and 11 of the Energy Efficiency Directive (EED) include requirements related to gas and electricity billing. Transposition of the articles into UK law is required by 5th June 2014 to avoid infracting EU law. An approach short of regulation would not fully implement the Directive which is likely to result in a challenge from the European Commission and infraction procedures.

What are the policy objectives and the intended effects?

The requirements relating to the billing of energy use in the EU's Energy Efficiency Directive contribute to the overall objective of the Directive of promoting energy efficiency by ensuring final consumers are able to regulate their own energy consumption and improve the efficiency of their energy use.

Greater frequency and accuracy in metering and bills that include information on consumption have the potential to help achieve our climate change and energy saving goals, such as reducing the UK's greenhouse gas emissions by 80%, compared to 1990 levels, by 2050.[2]

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

These changes to existing supply licences have been developed to implement the minimum requirements of the Directive. An approach short of regulation would not fully implement the Directive, and would result in challenge from the European Commission, and potentially from customers of energy suppliers. We are implementing the provisions through the existing licensing regime, thereby avoiding the creation of a new regulatory regime, which would be costly to implement and increase complexity for energy suppliers and their customers.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 2017

Does implementation go beyond minimum EU requirements?			**No**		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro:** No[3]	**< 20:** Yes	**Small:** Yes	**Medium:** Yes	**Large:** Yes
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)			**Traded:** N/A	**Non-traded:** N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: [signature] Date: 4/8/14

[1] The NPV differs slightly from the version of the IA published on 26th June 2014. This is because several published data sources, used to inform the costs of the policy, were subsequently revised, requiring the preparation of this updated IA. The numbers in the 'Costs of Option 1' section have therefore been updated correspondingly.
[2] See https://www.gov.uk/government/policies/reducing-the-uk-s-greenhouse-gas-emissions-by-80-by-2050
[3] Energy supply is a complex business and therefore no known micro businesses do not tend to operate in the sector

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: -36.5	**High:** -21.4	**Best Estimate**: -29.0

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	n/a		1.4	**21.6**
High	n/a		2.4	**36.4**
Best Estimate	1.5		1.9	**29.0**

Description and scale of key monetised costs by 'main affected groups'

Under this option, three of the largest six energy suppliers are expected to face one-off transition costs associated with developing their billing systems in order to allow billing frequency to be driven by the consumer's preference as opposed to their payment method. These are estimated to be around £1.5m in total (£, 2014).[4]

Furthermore, two of the largest six suppliers and a number of smaller suppliers, which currently supply billing information to some of their domestic customers (who do not have online account management) just once a year, can be expected to face the recurring costs of sending billing information once more per year to these customers.

A number of small suppliers, that do not provide interactive online account management, can be expected to face the recurring costs of providing electronic billing information more frequently to some of their customers with online account management.[5]

Finally suppliers may face recurring costs if some of their customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, request quarterly billing information which the supplier would then be obliged to provide.

Other key non-monetised costs by 'main affected groups'

There are not expected to be any costs under Option 1 which we were unable to monetise.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	n/a		n/a	**n/a**
High	n/a		n/a	**n/a**
Best Estimate	n/a		n/a	**n/a**

Description and scale of key monetised benefits by 'main affected groups'

There are expected to be range of monetary benefits under Option 1, as discussed in the following section, but we have been unable to quantify them due to uncertainty around the exact impacts of the policy.

[4] Source: consultation responses

[5] As discussed later on in this IA, customers with interactive online account management, whereby they can access billing information and submit meter readings to update this billing information, will not need receive any additional billing information in order for their energy suppliers to be compliant with the Directive.

Other key non-monetised benefits by 'main affected groups'

Some energy customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, may request quarterly billing information which the supplier would then be obliged to provide. The extra billing information may assist the consumer in regulating their own energy consumption more effectively or make them more likely to install energy efficiency improvements in their home. This could bring potential bill savings.

Better self-regulation of domestic energy consumption and increased take up of energy efficiency measures should lead to more efficient energy use. In turn, this could reduce Greenhouse Gas emissions (thereby aiding the UK's goal of reducing the UK's greenhouse gas emissions by 80%, compared to 1990 levels, by 2050), improve energy security, mitigate fuel poverty, increase productivity and reduce the costs of meeting the UK's renewable energy targets

Furthermore, receiving more frequent billing information may prompt a consumer to engage with the retail energy market and provides them with the information needed to do this. This may result in a consumer switching supplier if it would present savings for them. Those that do can expect to save an average of £72 per year (2012 prices), which is the average potential saving across all consumers.

Key assumptions/sensitivities/risks	**Discount rate (%)**	3.5

The following assumptions have been made in the assessment of Option 1:

a. discount rate for future costs and benefits out to 2033 is 3.5%, the Her Majesty's Treasury (HMT) Green Book social discount rate;

b. the policy is appraised over 20 years from 2014-2033, in 2014 prices with 2014 as the base year. This is considered an appropriate appraisal period as it captures the estimated recurring costs associated with the policy over a sufficiently long time horizon. The policy will be reviewed in 2017 and it is envisaged that there will be further innovations and changes to metering and billing within the appraisal period which would be assessed in due course. In this IA we have conducted a sensitivity analysis to assess the impact of extending the appraisal period for a further 10 years out to 2043. Doing so reduces the central estimate of the NPV of Option 1 to -£37.1m (£, 2014);

c. 1%-10% of customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, will request quarterly billing information which the supplier would then be obliged to provide;

d. customers of small suppliers, who have online account management which is not interactive (i.e. is just 'e-billing'), currently receive billing information twice per year unless we have been told otherwise;

e. domestic customers of small suppliers, who do not have online account management, currently receive billing information at most twice per year unless we have been told otherwise.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			**In scope of OITO?**	**Measure qualifies as**
Costs:1.5	**Benefits:** n/a	**Net:** -1.5	No	N/A

Evidence Base

Background

2. The EU Energy Efficiency Directive establishes a common framework of measures for the promotion of energy efficiency within the EU in order to ensure the achievement of the EU's 2020 headline energy efficiency[6] target and to pave the way for further energy efficiency improvements beyond that date. The Directive sets out rules designed to remove barriers in the energy market and overcome market failures that impede efficiency in the supply and use of energy, and provides for the establishment of indicative national energy efficiency targets for 2020

[6] EU Member States are committed to setting energy efficiency targets to help meet the objective of having a total EU energy consumption of no more than 1474 Mtoe (primary energy) and 1078 Mtoe (final energy) in 2020. See EU Directive 2012/27/EU, Article 3(1)(a) [pdf], available at: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:315:0001:0056:EN:PDF

3. Whilst the Directive imposes a wide range of requirements on Member States in relation to energy efficiency, this IA focuses specifically on its requirements relating to the billing of electricity and gas use (Articles 10-11 and Annex VII).

4. Laws concerning the GB electricity market and/or suppliers' licence conditions are already compliant with the vast majority of the elements in Articles 10 and 11 and Annex VII. We have consulted on the minimum implementation of the remaining elements of the Articles and Annex as they are stated. A strong focus of the consultation was on implementing the provisions in the most cost-effective way for business.

5. The other Articles in the Directive with a regulatory impact on business are the subject of separate Impact Assessments. The Regulatory Policy Committee (RPC) has seen an Impact Assessment concerning the roll out of Smart Meters; this includes proposed action to implement Article 9(d) and 10(2)(b) of the Directive, which introduce requirements for Member States with smart meter programmes. Of particular relevance to this Impact Assessment will be the Government's consultation and Impact Assessment (which was also sent to the RPC and received a fit for purpose rating) on the implementation of Articles 9(1) & (3) in relation to requirements on the metering of district heating, district cooling and hot water, and Article 11(2) which requires Member States to create rules to govern the costs of billing pursuant to Article 9(3). The RPC has also seen the Energy Saving Opportunity Scheme (ESOS) IA in relation to energy audits which are required to be conducted by non-SME enterprise every four years.

Problem under Consideration

6. The EU Energy Efficiency Directive (2012/27/EU) entered into force on publication of the Official Journal of the EU on 14 November 2012.

7. Whilst the Directive imposes a wide range of requirements on Member States in relation to energy efficiency, this impact assessment focuses specifically on those relating to non-smart meter billing of electricity and gas use (Articles 10-11). Articles 10 and 11 set out requirements for the accuracy of billing information, the provision of information to energy service providers, the availability of electronic billing information and bills and the provision of information to customers with the bill. Annex VII of the Directive is linked to Article 10 and specifies minimum requirements for billing and billing information based on actual consumption.

8. EU member states are required to transpose the majority of the Directive's provisions into national law by June 2014.

Rationale for intervention

9. Transposition of the articles into UK law is required by 5th June 2014 to avoid infracting EU law. In order to demonstrate compliance, the UK must show that it is able to enforce the requirements being met.

10. An approach short of enforceable regulation would not fully implement the Directive, and would result in challenge from the European Commission, and potentially from customers of energy suppliers

11. Government intervention is also justified to address market failures and barriers slowing take-up of socially cost-effective energy efficiency measures. These include a potential informational failure (due to infrequent provision of billing information for a number of customers), which could lead to a lack of engagement in the market and potentially a lower level of switching.

Policy Objective

12. The requirements relating to the billing of gas and electricity use in the EU's Energy Efficiency Directive contribute to the overall objective of the Directive of promoting energy efficiency by ensuring consumers[7] are able to regulate their own energy consumption and improve the efficiency of their energy use. It serves to address market failures around consumers' imperfect information by setting minimum requirements around the frequency and accuracy of billing and the provision of billing information. This could improve engagement and hence increase switching rates.

13. Improvements to GB's energy efficiency will reduce Greenhouse Gas emissions, improve energy security, mitigate fuel poverty, increase productivity and reduce the costs of meeting the UK's renewable energy targets.

14. Increased frequency of billing including consumption information also has the potential to help achieve our climate change and energy saving goals, such as reducing the UK's greenhouse gas emissions by 80%, compared to 1990 levels, by 2050.

Options Considered

Option 0: Do nothing

15. Doing nothing is not a viable option. If the UK were to take no action to transpose and implement the requirements related to metering and billing as set out in Articles 10 and 11 and Annex VII in the EU's Energy Efficiency Directive the Commission could bring infraction proceedings against the UK for failing to comply with an EU Directive.

16. However, it should be noted that the UK Government is taking other actions on metering and billing; the Government is requiring energy companies to install smart meters for their customers which will be rolled out as standard across the country by 2020. In addition, supplier behaviour is already consistent with much of the metering and billing requirements under the Directive with the exception that some customers receive billing information less than twice a year.

17. The estimated costs associated with Option 1 are presented against a 'no Directive' baseline.

Option 1: Transpose and implement the requirements related to gas and electricity billing as set out in Articles 10 and 11 and Annex VIII in the EU's Energy Efficiency Directive through amendments to supplier licence conditions

18. The full list of billing provisions in Articles 10 and 11, and Annex VII of the EU Energy Efficiency Directive can be found in Annex A to this document.

19. Laws concerning the GB electricity and gas market and/or the binding supplier licence conditions Ofgem imposes on suppliers are already compliant with the majority of the elements in Articles 10 and 11 and Annex VII and consequently they will not create new costs to business.

20. Option 1 therefore only comprises amendments to supplier licence conditions where GB is not already legally compliant with the Directive.

21. The proposed licence changes can be grouped together to represent three themes:

(a) Accurate Billing - This covers part of Annex VII (1.1) only and to meet the requirement the Government proposes amending supplier licence conditions to include the following provision:

- The licensee must take all reasonably practicable steps to obtain a meter reading for each of its customers (including any meter reading provided by the customer and accepted by the licensee in accordance with this condition) at least once every year.

[7] The Energy Efficiency Directive refers to 'final customers'. For the purposes of this IA 'final customers' are referred to as 'consumers'.

(b) Access to Consumption Data - This covers Article 10(3)(a) only and to meet the requirement the Government proposes amending supplier licence conditions to include the following provision:

- Where a customer requests the licensee to make available information on their energy billing and historical consumption either to the customer or to any other person designated by the customer[8] the licensee must comply with that request to the extent that the information requested is available and as soon as reasonably practicable.

(c) Receiving Billing Information - This covers Article 10(3)(b) and parts of Annex VII (1.1) and part of Article 11.1. To meet these, the Government proposes amending supplier licence conditions to include the following provisions:

- Where a customer requests online account management the licensee must comply with that request.

N.B. "online account management" is defined as any arrangement whereby a customer does not receive a paper version of a Bill or statement of account and is defined in the Standard Licence conditions as "any arrangement whereby a domestic customer does not receive a paper version of a Bill or statement of account and would need to access the internet and use a computer or communication device".[9]

- Where a customer requests an explanation of how their bill or statement of account was derived the licensee must comply with that request in plain and intelligible language.

To meet the requirements of Annex VII 1.1 the Government proposes amending supplier licence conditions to include the following provisions:

- The licensee must make domestic and nondomestic customers' billing information available to them at least twice yearly;
- The licensee must make a domestic customer's billing information available to them quarterly upon request
- The licensee must make billing information available quarterly to domestic customers with online account management

To meet these requirements of Article 11(1) the Government proposes amending supplier licence conditions to include the following provision:

- The licensee may not apply additional charge to customers for providing them with their bills and billing information for energy consumption (though they may charge for duplicate bills).

Impact of Policy Options

Costs of Option 1

22. Despite the need for some licence changes in order to demonstrate compliance to the Commission, suppliers are already compliant in practice with a number of the elements in Articles 10 and 11. As summarised in the table below and set out in detail in the text that follows, implementation of most parts of the Articles and Annex highlighted above either does not represent a cost to business or energy suppliers already behave in a way that is compliant.

23. This section will focus on the impact on business from the provisions in the Directive which require amendments to supplier licence conditions. The amendments will impact energy supply companies.

24. Table 1 below sets out a summary of the impact on business (i.e. energy suppliers) resulting from the amendments to the supplier licence conditions.

[8] "Any other person" refers to energy service providers. Energy service providers do not have a recognised formal definition
[9] Ofgem – *Standard conditions of electricity supply license*, p.28 [pdf], available at: https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf

Table 1: Summary of impacts on business

<table>
<tr><th>Theme</th><th>Licence amendment</th><th>For Domestic Consumers</th><th>For Non-domestic Consumers</th></tr>
<tr><td>Accurate Billing</td><td>Meter reading at least once a year</td><td colspan="2">Suppliers already compliant in practice</td></tr>
<tr><td>Access to Consumption Data</td><td>Providing information to customer/electricity supplier/any other person</td><td>Already a licence requirement</td><td>Suppliers already compliant in practice</td></tr>
<tr><td rowspan="5">Receiving Billing Information</td><td>Option of paperless billing</td><td colspan="2">Suppliers already compliant in practice</td></tr>
<tr><td>Plain and intelligible language on request</td><td>Already a licence requirement</td><td>Already a licence requirement for microbusinesses, and suppliers already compliant in practice for other non-domestic customers</td></tr>
<tr><td>Billing at least twice a year</td><td>Recurring cost to business estimated to be £1.3m p.a. (£, 2014)</td><td rowspan="2">Suppliers already compliant in practice</td></tr>
<tr><td>Billing quarterly upon request or if receive electronic bill</td><td>One-off cost to some suppliers, estimated to be around £1.5m (£, 2014) in total, to develop their billing systems in order to allow any customer to receive quarterly billing

Recurring cost to suppliers estimated to be around £350 p.a. (£, 2014) for extra provision of electronic billing information

Possible recurring cost to business for the provision of extra billing information for those customer who request it, estimated to be in the range of £0.1m - £1.1m p.a. (£, 2014)</td></tr>
<tr><td>No additional charge for billing</td><td colspan="2">Suppliers already compliant in practice</td></tr>
</table>

25. The following sections set out the impact on suppliers from the licence amendments under each of the themes.

Accurate Billing

26. Annex VII (1.1) of the EED obligates suppliers to take all reasonably practicable steps to take a meter reading at least once a year.

27. There are a number of existing rules governing the reading of meters and the use of meter readings in billing within Great Britain. Under the standard licence conditions for gas and electricity supply, suppliers for both domestic and non-domestic consumers must take all reasonable steps to ensure they inspect, at least once every 2 years, non-half-hourly[10] meters (for electricity) and non-daily meters[11] (for gas) and take a meter reading at the same time[12]. They are also required to accept a meter reading when a customer provides it. In addition, the Balancing and Settlement code[13], with which electricity suppliers are required to comply as a condition of their licence, requires a minimum of 97% of non-half hour electricity meters to be read once a year.

28. Added to this is the incentive that all suppliers have to obtain frequent meter readings in order to help them forecast accurately their customers' consumption in order to purchase the right amount of wholesale gas and electricity. If they buy too much or too little they face financial penalties under the Balancing and Settlement Code for electricity and the Unified Network Code for gas. Energy suppliers acknowledge this incentive and both domestic and non-domestic consumers are regularly asked to submit meter readings.

29. Furthermore, Ofgem has directed all suppliers of domestic customers to stop back-billing customers for energy used more than 12 months ago, if the supplier was at fault. This creates an incentive for energy suppliers to obtain a meter reading once a year.

30. Given all these drivers, it is assumed that energy suppliers of domestic consumers currently take reasonable steps to be compliant with this proposed licence change and there is no reason to believe suppliers will change this behaviour in the future. Therefore, we expect there will be no cost to suppliers in complying with this element of the directive.

31. We asked for views on this assumption in the consultation. A large majority of respondents did not express any concern that they would not be compliant with this amendment. The cost concerns which were raised stemmed from the licence conditions drafting applying to pre-payment meters unintentionally and uncertainty on what would constitute a 'reasonably practicable step' for obtaining a meter reading. Both of these points are addressed and clarified in the Government response document and revised drafting of the licence conditions.[14]

32. For non-domestic consumers current arrangements are more varied and the frequency of meter-readings varies according to the customer's level of energy use. Non-domestic consumers, which consume more than 100kWh of electricity at any time during the day, have meters that are read every half-hour. There are approximately 111,600 half-hour meters in GB (this represents approximately 5% of the total number of non-domestic electricity meters). Similarly, non-domestic consumers, which are large consumers of gas, have meters which are read daily. We are not currently aware of any data on how many daily read gas meters there are in GB.

33. Energy suppliers of non-domestic electricity consumers are also required to provide yearly electricity meter readings under the Balancing and Settlement Code and already have the incentive to obtain frequent meter readings in order to help them balance both electricity and gas in order not to incur penalties, and provide good customer service. This incentive may be greater than the incentive which exists with respect to domestic consumers because the volumes

[10] Half-hourly electricity meters are electricity meters which are read every half hour. They are used by consumers with a peak load of 100kW or more.
[11] Daily read gas meters are gas meters which are read daily. They are required for customers with an annual gas consumption in excess of 58,600,000 kWh (2,000,000 therms) per year.
[12] British Gas currently has a derogation from the requirement to inspect meters at least once every two years and to take a meter reading. However one of the conditions for this derogation is that they obtain a valid meter reading from all customers at least every two years
[13] The Balancing and Settlement code is an industry code. The licence conditions, which have legal backing, and which energy suppliers have to meet, state that suppliers have to comply with industry codes
[14] This IA will be published alongside the Government response document

supplied to a non-domestic consumer will typically be higher than those supplied to a domestic consumer.

34. In addition, non-domestic consumers have a strong incentive to make sure their meters are read regularly (either by themselves or their supplier) to ensure they are not paying for more than they have used, which could have a detrimental impact on their cash flow.

35. There is no evidence to suggest that non-domestic consumers are metered any less frequently than domestic consumers, so we believe that suppliers are compliant in practice with this provision in the Directive

36. We also asked for evidence on the frequency of meter readings in the consultation (either customer or supplier read) over and above the currently required once every two years. No respondents suggested that amending licences to require licensees to take all reasonably practicable steps to obtain an annual meter reading would create any additional costs for energy supply to non-domestic consumers.

37. It should also be noted that the introduction of smart meters for all by 2020 will ensure regular reading of meters, for example monthly, daily, half-hourly, for all consumers.

Access to Consumption Data

Providing information to the Customer/ an Energy Supplier/ any other person[15]

38. Article 10(3)(a) of the EED obligates energy suppliers to provide access to personal historic consumption data to both domestic and non–domestic consumers upon request.

39. Suppliers are already obligated under existing laws[16] to provide a domestic consumer's historical consumption data and/or billing information to themselves, an energy supplier, i.e. for the purposes of switching suppliers, or any other person upon request by the customer. Therefore, with respect to domestic consumers, suppliers are already legally compliant with this element of the EED. As a result, it is expected that compliance with the proposed draft licence condition amendments for domestic consumers will not create a cost for energy suppliers.

40. An energy supplier must provide the information, if it is available, if the consumer requests it in order to comply with the proposed amendments. In the first instance, the information only needs to be provided if it is available so there will be no data gathering or holding costs. In the consultation, no respondent expressed any significant concern that the proposed amendment around access to consumption data would impose any additional costs on domestic energy suppliers.

41. Furthermore, in practice non-domestic consumers' energy suppliers already provide information to the customer, energy suppliers or any other person upon request. Additionally, energy suppliers for microbusiness will now be required to provide complete and accurate information to consumers under Ofgem's Retail Market Review (RMR), which will be implemented by summer 2014. All other businesses are covered by contract law. A bill is not a contract, but under contract law a bill must conform to what is contained in the contract, and a contract for the supply of energy cannot reasonably be valid unless it contains sufficient certainty as to the basis on which the customer will pay.

42. Also, information is already provided to other energy suppliers, upon a non-domestic consumer's request, as evidenced by the fact that consumers switch. Indeed, the switching rate among non-domestic consumers is higher than among domestic consumers.

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[15] "Any other person" refers to energy service providers. Energy service providers do not have a recognised formal definition
[16] See SLC 22.9, available in https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf (electricity) and https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20conditions%20consolidated%20-%20Current%20Version.pdf (gas)

43. Finally, informal consultation with the Energy Services and Technology Association, which is a trade body for energy service providers, and one energy service provider, indicated that energy suppliers are already providing historical consumption data to energy service providers designated by non-domestic consumers. Neither the trade body, nor the energy service provider had encountered an instance in which any of the suppliers had not provided the information on request.

44. Based on the evidence presented above, energy suppliers are considered to be compliant with the proposed license amendments around access to consumption data for non-domestic consumers.

<u>Receiving Billing Information</u>

Option of Online Account Management[17]

45. Article 10.3(b) of the EED obligates energy suppliers to offer online account management to all of their customers.

46. DECC research[18] has indicated that all domestic energy suppliers[19] in the GB energy market already provide the option of paperless billing, or are already in the process of implementing systems to provide the option, for both domestic and non-domestic customers and there are no plans to withdraw this option.

47. In order to be compliant with the Directive and to ensure that the option of online account management continues to be a feature of the market it is necessary to introduce a licence condition[20] obligating suppliers to offer the option of paperless billing. We have no reason to believe that suppliers would seek to withdraw paperless billing as it is a low cost way of providing billing information, (as evidenced by the discount suppliers apply to tariffs of customers opting for paperless billing). Furthermore, we have noted that new entrant suppliers have all chosen to offer it to their customers in some shape or form. As a result we do not anticipate any costs to business of complying with this requirement.

48. In the consultation responses, some suppliers anticipated they would incur costly set-up costs to introduce online account management systems. DECC has subsequently clarified[21] that this is not the case and that the definition of online account management is the same as in the existing licence conditions, meaning any arrangement whereby a customer does not receive a paper version of a bill or statement of account and would need to access the internet and use a computer or communication device in order to access their billing information.

49. Therefore, 'e-billing' practices, which are common for a number of small suppliers, whereby a consumer receives their bill via email as a .pdf document qualifies as a form of online account management. Any potential new entrant supplier considering entering the market will need to develop or procure a billing system in order to manage their customer accounts. It is considered that the extra cost of adding on 'e-billing' functionality to such a system is negligible. Therefore, there are not expected to be any additional barriers to entry in the energy supply market resulting from this element of the directive.

[17] "Online Account Management" is defined as "any arrangement whereby a Customer does not receive a paper version of a Bill or statement of account and would need to access the internet and use a computer or communication device"
[18] Review of publicly available information, and direct engagement with suppliers
[19] Aside from those who exclusively supply customers with prepayment meters as bills are not required
[20] Licence conditions don't require monitoring, instead Ofgem rely on notification of a breach
[21] This will be clarified in the Government response document.

Explanation of how a bill or statement of account was derived

50. Article 10.3(b) of the EED obligates energy suppliers to provide to both domestic and non-domestic consumers, upon request, an explanation of how their bill was derived in plain and intelligible language.

51. Existing licence conditions covering domestic consumers and microbusinesses already require suppliers to provide access to billing information which is complete, accurate and not misleading and is communicated in plain and intelligible language. All other businesses are covered by contract law. And, of course, all suppliers have access to their consumers' data. These assumptions have been confirmed in the consultation. The Government considers that sufficient legal measures already exist in respect of this requirement.

Frequency of Billing

52. Annex VII (1.1) of the EED requires suppliers to make:

    - billing information available quarterly to domestic and non-domestic customers with online account management.
    - domestic and non-domestic consumers' billing information available to them at least twice yearly;
    - domestic and non-domestic customers' billing information available to them quarterly upon request;

53. Billing information is contained in a customer's bill (or statement of account if they are pay by direct debit) but there are currently no licence conditions ensuring setting how frequently these must be provided. Consumers with online accounts can access their billing information at any time. It is estimated that approximately 15% of domestic consumers have online tariffs, although an online account is more than just the provision of paperless billing.

54. In addition, the licence amendments concerning frequency of billing will not apply to consumers on prepayment meters, as these customers will receive billing information when they top-up their pre-payment meter. Approximately 15% of domestic consumers use a prepayment meter.

55. DECC research on supplier websites indicates that they provide the option of billing on a quarterly basis, or more frequently, for domestic consumers who pay on receipt of bill. This means that energy suppliers have their systems set up to provide billing on at least a quarterly basis. Consultation responses suggest that the majority of consumers, who pay on receipt of bill, receive their bill once a quarter. Direct debit customers receive a statement of account which contains the same information as a bill.

Billing information available quarterly to customers with online account management.

56. The proportion of domestic consumers who receive paperless billing is not known, but could be as high as 55% (including those on online tariffs). If there are any domestic consumers who receive paperless billing and do not receive billing information at least quarterly, the marginal cost of increasing the frequency of billing information to quarterly is expected to be £0.03 per extra bill/statement of account required.[22] This figure reflects the minor costs associated with processing additional accounts through the billing system and sending billing information to the customer as a .pdf embedded in an email.

57. Some responses to the consultation noted that interactive online account management systems, where a customer can access billing information and submit meter readings to update this billing information provide customers with billing information. In response to this we have amended the original proposed licence condition to make clear that the suppliers must "make available" rather than "provide". This means suppliers that provide access to an interactive online account management system, where a customer can access billing information and submit meter readings to update this billing information are compliant with the Directive's requirement. All of the largest energy suppliers and a large proportion of the smaller suppliers offer an online

[22] Consultation response from one of the largest 6 energy suppliers

account management system of this kind. In light of this, extra billing information in an electronic format will only need to be provided for approximately 6,000 customers,[23] all of which are customers of small suppliers. It has been assumed that, unless otherwise known, these customers currently receive e-billing twice per year, so will need to receive it twice more per year in order for their supplier to be compliant. The total cost of this is estimated to be around £350 per year for the industry as a whole.[24]

58. As customers who interact with their supplier via an online account management system are deemed to have continuous access to billing information, the requirements around billing twice a year will only generate extra costs with regards to those customers, without online account management, which currently receive billing information just once per year.

Billing information available at least twice yearly

59. An information gathering exercise by DECC[25] and consultation responses have shown that of the largest six energy suppliers, which supply approximately 93.4% of domestic consumers,[26] only two have any customers which do not receive billing information at least twice a year, rendering the supplier non-compliant with this proposed license amendment. Consultation responses indicate that the total number of customer accounts, of the biggest six energy suppliers, falling into this category is around 3.7 million. This represents 12.1% of the total number of customer accounts held by the largest six energy suppliers. As these large suppliers account for 93.4% of domestic consumers, this represents around 11.3% of the total number of domestic energy customer accounts.[27]

60. It has not been possible to directly calculate the number of domestic energy customers with small suppliers which receive their bills less than twice a year. However evidence from consultation responses suggests that small suppliers provide billing information more frequently than the big-6. However, as we do not have sufficiently robust evidence to put an exact figure on the frequency of billing by small suppliers, we have conservatively assumed that the proportion of small supplier customers who currently receive billing information less than twice a year is the same as for the largest six suppliers, 12.1%. As small suppliers supply energy for approximately 6.6% of domestic consumers, this means that an additional 0.8% of domestic customers may not be receiving their bills often enough to be compliant with the Directive,[28] representing around 0.3 million customer accounts. Added to the 3.7 million customers accounts of the largest six energy suppliers mentioned above, this gives a total of 3.9 million customer accounts which may not receive billing information frequently enough for compliance with the Directive.[29]

61. This means that, in total, there are approximately 12.1% of domestic consumers that may not receive their energy bills often enough to comply with this license amendment.[30] All domestic consumers currently receive billing information at least once per year.[31]

62. Therefore, in order for suppliers to be compliant with the license amendment, they will need to make billing information available to these 12.1% of domestic consumers one additional time in the year.[32] Suppliers can do this by directing domestic consumers to register for an online account (consumers do not need an online tariff to do this), where their billing information will be available to them.

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[23] This estimate is derived by applying the estimated proportions of electricity, gas and dual fuel customers respectively to the estimated customer number total of all the suppliers which are not known to have interactive online account management systems, except those who are known to already provide billing information at least quarterly.
[24] Using the unrounded estimate of those customers requiring extra billing information in an electronic format: 5,900 x 2 extra bills x £0.03 = £350.
[25] Review of publicly available information, and direct contact with suppliers
[26] Cornwall Energy (2014) 'Competition in British household energy supply markets'. pp.15-18 [pdf], available at: http://www.energy-uk.org.uk/publication/finish/5-research-and-reports/1061-cornwall-energy-competition-in-british-household-energy-supply-markets-report-march-2014.html. The data in this report have been updated to the with ad-hoc information subsequently received by DECC.
[27] 12.1% x 93.4% = 11.3%
[28] 12.1% x 6.6% = 0.8%
[29] Figures do not sum due to rounding
[30] It is estimated that there around 32.5 million domestic energy customer accounts in Great Britain; 3.9/32.5 = 12.1%.
[31] This is based on information from consultation responses and suppliers' websites.
[32] This is because we have found no evidence of a tariff offering billing less than once a year.

63. However, Ofcom estimates that in 2012, 80% of adults in the UK used the internet at least once a week.[33][34] Many of these customers may choose to opt for a tariff with online account management if they wish to have access to billing information more frequently,

64. Assuming that 20% of the 12.1% of customers requiring additional billing information do not use the internet so they cannot access the online account management system[35], it is estimated that paper bills may only need to be sent to approximately 2.4%[36] of consumers one additional time to be compliant.

65. So if 2.4% of domestic consumers (i.e. households) did not currently receive their energy bills frequently enough to comply with the proposed licence change and that none of these receive electronic billing, the cost to business of sending them billing information once more per year would be approximately £250,000 p.a. (£,2014). This figure has been calculated using an estimate of the cost of producing and sending a typical paper bill, of £0.32.[37]

66. We asked suppliers for evidence of the cost of increasing the frequency of billing for those domestic consumers who currently do not receive their energy bill frequently enough to comply with the proposed licence change, and how many domestic consumers will be impacted, in the consultation.

67. Some consultation respondents suggested that they would have to provide extra paper bills to all of the 12.1% of domestic consumers discussed above. Therefore, we have conservatively assumed that suppliers will be required to provide billing information in paper form, once more per year, for all of these 12.1% of domestic customers. As discussed in paragraph 65 above, the cost of providing these extra bills is estimated to be £0.32 per bill. The total cost of providing these bills is therefore estimated to be around £1.3m p.a. (£,2014).[38]

68. Furthermore, under Option 1 three of the largest six energy suppliers are expected to face one-off transition costs associated with developing their billing systems in order to allow billing frequency to be driven by the consumer's preference as opposed to their payment method. These costs are associated with IT system redesign, systems testing and management of systems implementation processes. For the industry as a whole, these costs are estimated to be around £1.5m (£, 2014).[39]

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[33] Ofcom (2013), Adults' media use and attitudes report
http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/adult-media-lit-13/2013_Adult_ML_Tracker.pdf

[34] This is a conservative estimate of internet use compared to the World Bank's estimate of 87%
http://data.worldbank.org/indicator/IT.NET.USER.P2

[35] It is reasonable to apply the 20% estimate of non-internet users to the 12% of domestic consumers who may not receive their energy bills often enough to comply with this license amendment because:
- there is no reason to believe there is a higher proportion of non-internet users amongst those customers of the non-compliant big-6 suppliers, than domestic energy customers as whole because the big-6 supply approximately 94.5% of the domestic market.
- the 5.5% of domestic consumers with small suppliers have engaged with the market at some point (they have switched from an incumbent supplier) and are likely to be internet users.

[36] 20% x 12.1% = 2.4%

[37] Source: consultation responses

[38] 3.92m customers x £0.32 = £1.3m.

[39] Source: consultation responses

Billing information available quarterly upon request

69. Suppliers may also face costs if some of their customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, request quarterly billing information which the supplier would then be obliged to provide. We are not aware of any concrete evidence on how many domestic customers are likely to behave in this manner. Given this uncertainty we have used a range to estimate these costs. It is expected that only more engaged customers may request additional billing information. Ofgem have characterised 5-10% of domestic customers as pro-active, which means they are highly engaged with the energy market.[40] Therefore 10% serves as an upper bound of the number of customers who may request an extra bill. We have taken 1% as the lower bound. It should also be noted that more engaged customers are more likely to have online billing as there is commonly a cost saving associated with it.

70. Applying this range of 1%-10% to those customers who do not have online account management and who would otherwise receive billing information twice a year under option 1 gives an estimate of 0.2 million – 1.7 million customers who may request additional billing information.[41] The total cost of providing this billing information is estimated to be in the range of £0.1m – £1.1m.[42] The level of cost which will actually incurred within this range will depend on two main factors:

    - The extent of latent desire amongst this customer group to receive extra bills
    - The extent to which suppliers advertise the fact that these customers will now have the right to request that they receive billing information quarterly

71. It is expected that the costs may fall in the lower end of this range, as those consumers who do not have online account management are expected to be less engaged than consumers as a whole.

72. As for non-domestic consumers, Datamonitor conducts a six-monthly survey of business (non-domestic) customers and include a question on frequency of billing. All businesses surveyed receive a bill either monthly or quarterly, with the majority receiving a bill monthly. Anecdotal evidence from the industry regulator also supports the findings of the survey. This suggests that energy suppliers of non-domestic consumers are already compliant with the licence change related to the frequency of billing.

No additional charge for provision of information

73. Article 11(1) of the EED requires that final customers receive all their bills and billing information for energy consumption free of charge.

74. The term “must not make a specific charge”, which is used in DECC’s proposed SLC amendments, means that a separate unit charge for a bill, billing information or consumption data cannot be directly levied on consumers. However this does not prevent suppliers from passing through the cost of their billing systems in the tariffs they charge.

75. Providing bills free of any “specific charge” is already required by existing licence conditions for energy supply to domestic consumers under which all energy tariffs must have two, and only two, parts – a standing charge and a single unit rate. No other separate charges are allowed except for certain specified items which are outside the definition of ‘Supply Activities’.[43] Therefore, with respect to domestic consumers, there are not expected to be any additional costs associated with complying with this element of the Directive.

[40] Ofgem (2011) ‘The Retail Market Review – Findings and Initial Proposals: Supplementary appendices’, p.5[web], available at: https://www.ofgem.gov.uk/ofgem-publications/39709/rmrappendices.pdf

[41] It is estimated that there are approximately 17.4 million domestic energy customer accounts where the customer does not receive access to billing information quarterly. 1% x 17.4 million = 0.17 million; 10% x 17.4 million = 1.74 million.

[42] 0.17m x 2 extra bills per year x £0.32 = £0.11m; 1.74m x 2 extra bills per year x £0.32 = £1.11m.

[43] See SLC 22A, available in https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf (electricity) and https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20conditions%20consolidated%20-%20Current%20Version.pdf (gas). ‘Supply Activities’ includes billing, meter reading, data processing, providing meters, delivering electricity/gas and generating electricity.

76. The cost of providing billing information to consumers can be expected to be passed through into either standing charges or unit rates for all consumers, domestic and non-domestic. The proposed SLC amendments will not affect the ability of suppliers to make a separate charge for copies of a bill if they wish. If suppliers do currently levy specific charges on non-domestic consumers for original copies of bills, the net social impact of this, compared to if they passed on the costs in standing charges and/or unit rates, is zero. In both instances, the consumer ultimately bears the cost of providing billing information. Therefore, with respect to non-domestic consumers, there are also not expected to be any additional costs associated with complying with this element of the Directive.

77. All of the expected costs to business of the proposed licence condition amendments relating to the provision of billing information have been outlined in the preceding sections of this IA. The extent to which these costs are passed on by energy suppliers to consumers in the form of higher standing charges and unit rates will not affect the overall NPV of the policy, however it may have a distributional impact on society.

Summary of costs of Option 1

78. Tables 2 and 3 below summarise the costs of this policy, which have a total present value over the 20 years from 2014-2033 of £28.8m. As there are no monetised benefits of Option 1, the overall net present value of Option 1 is -£28.8m.

Table 2: Costs of Option 1 (£m, 2014)

		Low	High	Central
One off costs (incurred in 2014)	Costs to suppliers of developing billing systems	1.5	1.5	1.5
Recurring annual costs (cost per year)	Costs of providing extra paper bills	1.3	1.3	1.3
	Costs of providing extra electronic bills (some small suppliers only)	0.0004	0.0004	0.0004
	Possible costs due to consumers requesting additional bills	0.1	1.1	0.6

Table 3: NPV of costs of Option 1 (£m, 2014)

		Low	High	Central
Option 1	One of costs	1.5	1.5	1.5
	Recurring annual costs (in total)	20.1	34.9	27.5
	TOTAL	**21.6**	**36.4**	**29.0**

Benefits of Option 1

79. As discussed in paragraph 69 above some domestic customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, may request quarterly billing information which the supplier would then be obliged to provide.

80. By increasing the availability of billing information to domestic consumers, the billing requirements of the EED may help them to regulate their own energy consumption more effectively or make them more likely to install energy efficiency improvements in their home. This could bring bill savings. Although we have been unable to quantify the impact of more frequent

provision of billing information on consumer behaviour in the energy market, we consider it highly likely that the resultant benefits will exceed the low costs to business of supplying this information (as discussed in paragraph 65 above, these costs are expected to be around £0.32 per bill).

81. For example, saving just 3 kWh of electricity or 7 kWh gas would offset entirely the cost of providing this billing information.[44] To put this into context, 3 kWh of electricity can boil an average kettle (containing 1.5 pints of water) 24 times.[45] Alternatively, 7 kWh gas allows one has hob to be turned on for seven typical usage periods.[46]

82. Better self-regulation of domestic energy consumption and increased take up of energy efficiency measures should lead to more efficient energy use. In turn, this could reduce Greenhouse Gas emissions (thereby aiding the UK's goal of reducing the UK's greenhouse gas emissions by 80%, compared to 1990 levels, by 2050), improve energy security, mitigate fuel poverty, increase productivity and reduce the costs of meeting the UK's renewable energy targets.

83. Furthermore, by helping to overcome an informational barrier to engagement with the retail energy market,[47] more frequent provision of billing information to domestic consumers may make them more likely to switch supplier if it would present savings for them. Those that do can expect to save an average of £75 per year (2014 prices), which is the average potential saving across all consumers.[48] As we have not been able to quantify the level of increased switching which may result from Option 1, we have been unable to monetise these benefits. However, if around 25,000 customers, who would not otherwise switch their energy supplier in the baseline, were to switch each year as a result of this policy, this would offset the recurring costs of the policy.[49]

Risks, Assumptions and Sensitivities

Assumptions

84. The following assumptions have been made in the assessment of Option 1:

    a. discount rate for future costs and benefits out to 2023 is 3.5%, the Her Majesty's Treasury (HMT) Green Book social discount rate;

    b. the policy is appraised over 20 years from 2014-2033, in 2014 prices with 2014 as the base year. This is considered an appropriate appraisal period as it captures the estimated recurring costs associated with the policy over a sufficiently long time horizon. The policy will be reviewed in 2017 and it is envisaged that there will be further innovations and changes to metering and billing within the appraisal period which would be assessed in due course. In this IA we have conducted a sensitivity analysis to assess the impact of extending the appraisal period for a further 10 years out to 2043. Doing so reduces the central estimate of the NPV of Option 1 to -£37.1m (£, 2014);

    c. 1%-10% of customers, who do not have online account management and would otherwise receive billing information twice a year under Option 1, will request quarterly billing information which the supplier would then be obliged to provide;

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[44] The average retail domestic electricity price in 2013 was be calculated as 15.2p/kWh (see QEP 2.2.3: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/295976/qep223.xls). The corresponding figure for gas was 4.9p/kWh (see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/303703/qep233.xls). These figures include VAT at 5%.

[45] See https://blog.npower.com/2013/02/ever-wondered-how-much-your-appliances-cost-to-run/

[46] See http://www.carbonfootprint.com/energyconsumption.html

[47] Ofgem (2013) 'The Retail Market Review - Final domestic proposals', p.15 [web], available at: https://www.ofgem.gov.uk/ofgem-publications/39350/retail-market-review-final-domestic-proposals.pdf. Although the extra information on bills as a result of standard license condition changes following the RMR should help address this informational barrier, increased billing frequency is not covered by the license condition changes. Therefore Option 1 should help further mitigate the informational barrier to engagement with the retail energy market, in addition to the RMR reforms.

[48] Ofgem (2012) 'The Retail Market Review – Draft Impact Assessment for the updated domestic proposals', p.36 [web], available at: https://www.ofgem.gov.uk/ofgem-publications/39459/retail-market-review-draft-impact-assessment-updated-domestic-proposals.pdf. The figure of £72 there has been inflated to 2014 prices using the HMT GDP deflator, giving £75. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/269878/GDP_Deflators_Qtrly_National_Accounts_December_2013_update.xls

[49] The central estimate of the recurring costs of this policy is £1.9m; £1.9m/£75 = 25,333. Rounded to the nearest thousand, this gives 25,000 customers.

d. customers of small suppliers, who have online account management which is not interactive (i.e. is just 'e-billing'), currently receive billing information twice per unless we have been told otherwise; and

e. customers of small suppliers, who do not have online account management, currently receive at billing information at most twice per year unless we have been told otherwise.

Sensitivities

85. Sensitivity analysis was carried out to assess the impact of extending the appraisal period for a further 10 years, out to 2043. Doing so reduced the NPV, to an estimated range of -£46.7m to -£27.5 m, with a central estimate of -£37.1m (£, 2014). This reduction in the NPV is due to the recurring costs to energy suppliers of providing more frequent billing information to certain customers.

Small and micro business assessment

86. As the origin of these regulations is EU legislation, which the UK is required to comply with, a SMBA is not needed for this policy.[50]

87. The costs of this policy will be borne entirely by energy suppliers, some of whom are small or micro business according to the Better Regulation definition, which defines them as having up to 49 full time employees.[51]

88. There can be no exemptions from this regulation for small and micro businesses. The EU EED is clear that the requirements it sets out apply to all energy consumers, regardless of whether their supplier is a small or micro business or not.

One-in, two-out

89. As the origin of these regulations is EU legislation, which the UK is required to comply with, they are not within the scope of OITO.[52] The regulations are being implemented at the minimum level required, i.e. there is no gold plating.

90. The proposed supply licence condition amendments have been drafted to implement the Directive in the most cost effective manner. In the formal consultation the Government sought views on the costs associated with implementing the original proposed draft amendment. As described in the Government response document,[53] these have been revised to ensure energy suppliers are able to make any necessary changes to their billing and metering practices in the most cost effective way possible.

91. The EANCB of this policy is expected to be around £1,534,000 per year. This is calculated on the basis of all of the monetised costs described in this impact assessment, which are directly borne by business.

[50] BIS (2013) 'Better Regulation Framework Manaual: Practical Guidance for UK Government Officials', pp.26 [web], available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211981/bis-13-1038-better-regulation-framework-manual-guidance-for-officials.pdf

[51] Ibid

[52] Ibid, pp.40-41

[53] This IA will be published alongside the Government response document

Annex A

A summary of Articles 10 and 11, and Annex VII, of the EU's Energy Efficiency Directive are set out below:

Article 10.1
Where final customers do not have smart meters, Member States shall ensure that billing information is accurate and based on actual consumption, where this is technically possible and economically justified.

Article 10(3)
Independently of whether smart meters are available or not, Member States:

(a) shall require that, to the extent that information on the energy billing and historical consumption of final customers is available, it be made available, at the request of the final customer, to an energy service provider designated by the final customer;
(b) shall ensure that final customers are offered the option of electronic billing information and bills and that they receive, on request, a clear and understandable explanation of how their bill was derived, especially where bills are not based on actual consumption;
(c) shall ensure that appropriate information is made available with the bill to provide final customers with a comprehensive account of current energy costs, in accordance with Annex VII;
(d) may lay down that, at the request of the final customer, the information contained in these bills shall not be considered to constitute a request for payment. In such cases, Member States shall ensure that suppliers of energy sources offer flexible arrangements for actual payments;
(e) shall require that information and estimates for energy costs are provided to consumers on demand in a timely manner and in an easily understandable format enabling consumers to compare deals on a like-for-like basis.

Annex VII
The minimum requirements for billing contained within Annex VII are:

1.1. Billing based on actual consumption
In order to enable final customers to regulate their own energy consumption, billing should take place on the basis of actual consumption at least once a year, and billing information should be made available at least quarterly, on request or where the consumers have opted to receive electronic billing or else twice yearly.

This obligation may be fulfilled by a system of regular self-reading by the final customers whereby they communicate readings from their meter to the energy supplier. Only when the final customer has not provided a meter reading for a given billing interval shall billing be based on estimated consumption or a flat rate.

1.2. Minimum information contained in the bill
Member States shall ensure that, where appropriate, the following information is made available to final customers:

(a) current actual prices and actual consumption of energy;
(b) comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, preferably in graphic form;
(c) contact information for final customers' organisations, energy agencies or similar bodies, including website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment.

In addition, wherever possible and useful, Member States shall ensure that comparisons with an average normalised or benchmarked final customer in the same user category are made available to final customers.

1.3. Advice on energy efficiency accompanying bills and other feedback to final customers
When sending contracts and contract changes, and in the bills customers receive or through websites addressing individual customers, energy distributors, distribution system operators and retail energy sales companies shall inform their customers in a clear and understandable manner of contact information for independent consumer advice centres, energy agencies or similar institutions.

Article 11(1)
Member States shall ensure that final customers receive all their bills and billing information for energy consumption free of charge and that final customers also have access to their consumption data in an appropriate way and free of charge.