



Business, Energy and Industrial Strategy Committee

House of Commons, London, SW1A 0AA

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Dr Andrea Coscelli
Chief Executive, Competition and Markets Authority
Victoria House
Southampton Row
London, WC1B 4AD

Dear Andrea,

As you will know, the Business, Energy and Industrial Strategy Committee has considered the matter of energy prices in this Parliament, and will shortly be starting pre-legislative scrutiny of the Government's draft Domestic Gas and Electricity (Tariff Cap) Bill. It is already clear from recent trends that the energy market is still not working for consumers.

The BEIS Committee welcomes the work of the Competition and Markets Authority following its 2016 energy market investigation and the remedies package intended to improve the energy market through increased competition and better informed consumers.

In this context, the recent announcement that SSE and npower are proposing a merger, is concerning for the operation of a competitive marketplace for energy customers. The merger would reduce the Big Six energy companies to 5, with almost half of the domestic energy share held between British Gas and the proposed SSE/npower merged business.

The Committee has considered this issue and would welcome the confirmation of the CMA that it will look in detail at the potential impacts that this merger could have on the operation of the domestic energy market, and undertake a full investigation if there is any risk of a lessening of competition within the sector.

Best wishes

Rachel

Rachel Reeves MP

**Chair of the Business, Energy and
Industrial Strategy Committee**