

Response template for Administration of Green Gas Levy Consultation

This template contains all the questions posed in the Administration of the Green Gas Levy consultation document. Through this template we're aiming to collect your feedback on our proposals on how we will administer the Green Gas Levy. We welcome your views and encourage you to respond to the questions that are of most interest. Please provide your contact details in the fields below. To respond, please provide your views in the space below the relevant question.

Organisation Name:	Sembcorp Energy UK Ltd
Organisational Type:	Shipper/Supplier
Completed by:	Grace March
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Consultation questions

1. Do you have any comments on the first proposal on data collection methods? Do you have any further suggestions for how data collection could be improved?
It would be appropriate for Ofgem to tell suppliers when their data is being validated, by who and why. That will prevent similar conflicts appearing again in future and provide transparency, reassuring suppliers that data is be processed efficiently.
2. Do you have any comments on the alternative proposal that Ofgem could collect data from a third-party and require suppliers to validate this?
Data coming directly from suppliers is more likely to be up to date and comprehensive, rather than relying on a third party. As data would need to be verified by suppliers anyway, using a third party automatically seems likely to increase overall costs.

<p>3. Do you have any comments on the proposed list of information required to support a notification that a supplier is likely to be an exempt supplier? Is there any additional information that you believe will help support a notification?</p>
<p>There is a great deal of confusion in the industry whether suppliers who supply gas for the purpose of power generation only will be exempt. A BEIS representative stated they would, but also implied that would only be the case if the whole portfolio was gas for the purposes of power generation only, rather than being able to nominate particular metering points/volumes to be exempt.</p> <p>If suppliers who supply gas for the purpose of power generation only can be exempt (either whole portfolio or otherwise), suppliers will need to provide details of the meters that are used for power generation.</p> <p>Ofgem and BEIS need agree on a position and confirm to the industry as soon as possible that suppliers who provide gas for the purposes of power generation only will be exempt, or anticipation of the levy may start having impacts in the wholesale power market.</p>
<p>4. From your experience of providing credit cover for other purposes previously, do you anticipate any difficulties in being able to obtain the issue of a letter of credit that would meet the criteria requested and in the timeframes required? If there are concerns or there have been previous issues please provide evidence of this within your response.</p>
<p>We do not anticipate any problems with providing letters of credit, but we will only be covering a small number of sites, so the administrative burden of providing data and letters of credit quarterly is likely to be greater than the value of the levy.</p>
<p>5. Do you agree or disagree with Ofgem's proposed approach to the discretionary return of excess credit cover in quarters 1-3 each year, including limiting requests to once per year, and the proposed de minimis threshold for returns? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>No comment</p>
<p>6. From your experience of providing credit cover for other purposes do you have any feedback on any of the aspects proposed which could be made more efficient or easier to administer for either Ofgem or suppliers? Please provide evidence to support your response.</p>
<p>If credit cover could be provided annually, or held across periods (either quarterly or annual) if not drawn upon, that would be more efficient for Ofgem and Suppliers, as it would reduce the administrative process.</p>
<p>7. Do you agree or disagree with the proposed timings for making a mutualisation payment? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>No comment</p>

8. Do you agree or disagree with the proposal to include compliance with the Green Gas Levy in the Supplier Performance Report, and to use the same scoring methodology as used for other schemes? If not, please provide any other suggestions.

We support inclusion of compliance with the GGL in the Supplier Performance Report, but it should be made clear whether suppliers are provisionally exempt, confirmed exempt (for previous years), based on supplying over 95% green gas, or, as BEIS have stated, because the gas is used solely for the purposes of power generation.

9. Are there any ways that we can help reduce the administrative burden for suppliers who are serving a low number of meter points, while ensuring that Ofgem and suppliers meet their obligations as will be set out within the regulations? Please provide evidence to support your response.

As data is submitted quarterly, it seems likely that suppliers with a small number of meter points are unlikely to change meter points frequently. There should therefore be an option to confirm that nothing has changed from the previous quarter, rather than resubmit identical information.