

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:	Ceres Energy Ltd
Organisational Type:	SME Gas Shipping & Supplier, with a focus on Biomethane
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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?
In general we agree with the data collection methods. Nominations of meter points being served by a supplier should be deemed to roll over to further reduce the administrative burden on suppliers and there should be a requirement to declare any changes to Ofgem in a timely fashion. Additionally, the intention of transitioning to a volumetric approach will make it more difficult for suppliers, specifically larger suppliers, to provide accurate information. Therefore automation through links between the administrator and the industry data portals, such as Gemini/Data Enquiry, should be made to provide access to data.
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?

We welcome the collection of data from a third-party and requirements of suppliers to validate. This will reduce the administrative burden and will facilitate a smoother transition to a volumetric levy approach.

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?

No issues with the declared list in the consultation, excluding the estimate of supply points for the following scheme year. An estimate of supply points to be served can be made, but there is no firm knowledge as sites could join or leave a suppliers portfolio over the coming scheme year. There is no mention of supplies of renewable gas to road transport, for which green gas certificates are not used to evidence the green supply. RTFO claims are done through ISCC or other verification of the supply chain, there needs to be consideration of this as biomethane to road transport is present in green supplier portfolios.

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.

No, cash payment or letter of credit are both present across current industry requirements.

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.

Agree and there should be a date by which return of credit cover will be returned to the supplier prior to the deadline of any mutualisation events.

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.

No, so long as the process for providing and drawing down credit cover is as light touch as possible, i.e. not requiring exhaustive information to complete an action.

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.

Agree and the proposed timing for mutualisation payments should be after all evidenced credit cover drawdowns have been made.

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.

Disagree, the process of publishing named details of parties failing to comply with the scheme can often accelerate the decline of a businesses that has failed to make a payment. Rather than initially publishing defaulting parties, Ofgem should provide informal warnings to the party and once multiple infractions have occurred then the name should be added to the Supplier Performance Reports. There should be overviews of the supplier compliance and how non-compliance is being managed and recouped in the Supplier Performance Reports.

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.

We reiterate the need to transition to an automated process as soon as possible even before the transition to a volumetric approach of levy payments. During the transition to automation, initial submission of declared meter points should be assumed not to change unless notice is provided by the supplier in a timely fashion.