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To Megan Cupid

13 August 2021

Submitted by email only to  
[Future.Heatpolicy@ofgem.gov.uk](mailto:Future.Heatpolicy@ofgem.gov.uk)

## **OVO's response to the Administration of the Green Gas Levy Ofgem consultation.**

Dear Megan

OVO welcomes the opportunity to provide feedback on the Administration of the Green Gas Levy (GGL). We have provided our response to the questions raised in Annex 1.

Should you have any questions or would like to discuss our response bilaterally please feel free to contact us at [policy@ovoenergy.com](mailto:policy@ovoenergy.com).

Kind regards,

Clare Cattle-Jones  
Regulation Manager

## Annex 1 - Response to consultation questions

### Data Submission

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?**

OVO do not believe that setting the requirement on Suppliers to provide the number of meter points to be the most pragmatic and effective way for Ofgem to administer the GGL. (Please see our comment below to question 2)

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?**

OVO believes that a more feasible and pragmatic approach to the provision of meter point data to Ofgem, would be for a third party (Xoserve) to provide this data on behalf of all suppliers, with a requirement being placed on Suppliers to then verify that this data is correct.

### Exemption for suppliers providing 95 - 100% green gas

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 comments.

### Credit Cover

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.**

OVO would not consider obtaining a letter of credit in this circumstance, as historically these have been difficult to obtain for such specific requirements, and for a currently unknown amount.

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.**

OVO disagrees with Ofgem's proposed approach to a limitation of one return of cash credit cover to once a year. We believe that this needs to be much more dynamic, with a return each quarter in line with the requirement to make the levy payments and mutualisation.

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.**

As stated above the credit cover arrangements need to be more dynamic, and reflective of the requirements to make the levy payments and mutualisation.

### **Mutualisation**

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.**

OVO fully supports the proposed timings for making mutualisation payments quarterly as this reduces market risk and avoids mutualisation 'congestion' with other schemes such as the Renewables Obligation (RO).

### **Public Reporting**

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.**

OVO fully supports Ofgem's proposals for including compliance with the GGL in the Supplier Performance Report.

### **Additional Questions**

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.**

No comments.