



Rachel Clark, Programme Director
Switching Programme
Ofgem
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Emailed to – switchingprogramme@ofgem.gov.uk

22nd December 2020

Dear Rachel,

Switching Programme and Retail Code Consolidation: Proposed licence modifications.

Drax Group plc (Drax) owns two retail businesses, Haven Power and Opus Energy, which together supply renewable electricity and gas to over 350,000 business premises. Drax also owns and operates a portfolio of flexible, low carbon and renewable electricity generation assets – providing enough power for the equivalent of more than 8.3 million homes across the UK. This is a joint response on behalf of Haven Power and Opus Energy and is non-confidential.

We continue to support the consolidation of existing retail governance and welcome the regulatory clarity and certainty afforded by the early consultation on the licence changes to enable faster, more reliable switching.

Our responses to the specific consultation questions are appended. We would be happy to discuss any part of our response with you further if it would be helpful.

Yours sincerely,

Matt Young

Group Head of Regulation
Drax Group PLC

Appendix - Consultation Questions.

Question 1.1.: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 3 for the Gas Supply Licence?

Yes, we agree with the proposed modifications, which further align the Gas Supply Licence with the Electricity Supply Licence.

Question 1.2.: Do you agree with the proposed standard licences condition modifications as drafted in Appendix 2 for the Electricity Supply Licence?

Related Metering Point Objections

We broadly agree with the proposed changes to the Electricity Supply Licence. However, we do have some reservations around Ofgem's proposal to remove the right of suppliers to object where only one of a series of Related Metering Points has been submitted to switch. While we agree good progress has been made to date with the data cleanse work ahead of CSS go-live, targets are quite aggressive and the Related Meter Points that remain split between suppliers (which are far more prevalent in the non-domestic market) will invariably be more complex and therefore more time consuming to resolve. We're not aware of any potential detriment that might arise from deferring the removal of the right to object on grounds that it would cause Related Metering Points to be split between suppliers. On the contrary, rushing to remove this right may have a negative impact if split related metering remains after CSS go-live. It's therefore our view that Ofgem should defer this decision and retain the option to remove this right at a later date if necessary.

Annulment

In light of the shortening of the objection window, we share Ofgem's concerns about the potential for misuse of the Annulment process by the losing supplier and welcome the obligation to retain evidence of the customer's request. We agree that 12 months is an appropriate length of time to retain this evidence as it is sensible for this requirement to be consistent with retaining evidence linked to change of occupancy. As a further mitigation against misuse of the Annulment process, intentional or otherwise, we recommend clear signposting to the relevant section of the Registration Services Schedule which sets out the difference between the Annulment and Objection processes. As far as possible, we would expect the Registration Services Schedule to be set out in clear and intelligible language so that suppliers, particularly new entrants, can follow the processes.

Question 1.3.: Do you agree with our proposal to modify the five working day switching regulatory backstop by introducing a 5pm cut off on a working day, after which, if a consumer signs up, the start of the five working day period will be counted as the next working day?

Yes, we agree with this proposal.

Question 1.4.: Do you agree with our proposals to measure the start of the grace period, from which Supplier B must continue to supply the customer on the same tariff after the consumer has switched and cancelled, from the point that Supplier B sends notice to the consumer of their options and that the grace period should be 15 working days?

As a non-domestic Supplier, we have no comment on these proposals.



Question 1.5.: Do you agree with our proposals to measure the start of the period over which Supplier A must offer to take a customer back on equivalent terms from the switch date? Do you agree that the period that Supplier A must maintain this offer is 16 working days from the switch date?

As a non-domestic Supplier, we have no comment on these proposals.

Question 2.1.: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 4 for the Gas Shipper Licence?

We agree with the proposed modifications.

Question 3.1: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 5 for the Electricity Distribution Licence?

We have no comment to make.

Question 3.2: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 6 (a-d) for the Gas Transporter Licence?

We have no comment to make.

Question 3.3: Do you think the change to the definition of Metering Point to remove direct reference to the codes is suitable, and do you consider there to be any risks or unintended consequences that we should take into account for our decision?

We have no comment to make.

Question 4.1: Do you agree with the proposed licence modifications as drafted in Appendix 7 for the Smart Communication Licence?

Yes. The DCC is instrumental to the success of the Switching Programme and, as such, once the new switching arrangements go live, the DCC should be required to afford them the same priority level as Smart metering.

Regarding the proposed new licence obligation - requiring the DCC to make sure there are appropriate communication arrangements in place for parties to exchange messages with the CRS – it's our view that the parties and components of the CSS in scope of this requirement should be defined in the licence. This will ensure maximum clarity and remove the need for cross-checking the relevant section of the REC.