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17 January 2022

### **Statutory Consultation on strengthening milestone assessments and additional reporting requirements**

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewable generation, including onshore, offshore wind and solar generation, and energy storage. We have around six million electricity and gas customer accounts, including residential and business users. EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

We welcome the opportunity to provide comments on Ofgem's proposed changes to the existing milestone assessment regime and for additional reporting requirements in respect of significant commercial developments and personnel changes proposed by suppliers.

#### **Additional Reporting**

EDF was supportive in principle of the additional reporting requirements that Ofgem introduced in early 2021. However, Ofgem has failed to provide an adequate rationale for these additional proposals, including the benefits it expects to obtain over and above that already provided by the current requirements, the risks it is trying to mitigate or why it is looking to introduce these quickly without prior industry engagement. We urge Ofgem to reconsider the introduction of these proposals at this point in time.

Specifically, in terms of the requirements around trade sales and purchases, requiring a notification and assessment period of up to 60 days before a binding agreement can be entered in to may in some cases be challenging. If implemented, Ofgem must be clear about the basis for evaluation up front and be confident that it has the resources to make a reasoned assessment in the prescribed timelines. This should mitigate the risks of these additional requirements preventing commercial arrangements from proceeding in a timely manner that best protects the interests of the customers involved.

In terms of supplier reporting requirements, we are still waiting for clarity regarding revised Consolidated Segmental Statement (CSS) reporting, which may in some instances potentially overlap with information within scope of these proposals. Suppliers require adequate notice of any new reporting obligations in order to prepare for implementation (both in terms of new CSS and the outcome from this consultation), including detailed specification of the data, format and timeframe requirements.

Regarding the additional requirements around changes in senior personnel, it is unclear what risks Ofgem are trying to mitigate. There is also a lack of clarity on what form any notification of a prospective change should take and what practical and beneficial checks Ofgem will undertake as part of its assessment.

### **Milestone Assessments**

We are supportive of Ofgem introducing a requirement for growing suppliers to pause domestic customer acquisitions once they reach defined thresholds until such time as Ofgem has completed an assessment. Such a requirement will mitigate the risks to consumers of ill prepared suppliers continuing to grow in an unsustainable manner without being subjected to proportionate regulatory checks that ensure suppliers are appropriately prepared and resourced for growth.

It is important that any Ofgem milestone assessment is comprehensive and robust to provide confidence that suppliers are fit for purpose and have credible plans in place to meet their regulatory obligations. On this basis a timeframe for the process to be completed of between 30-60 days would appear reasonable.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Jon Cole or myself. I can confirm that this letter may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink that reads "R. Beresford".

Rebecca Beresford  
**Head of Customers Policy and Regulation**