Consultation

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Making a positive difference for energy consumers

Application for a minor facility exemption for SSE Hornsea

Subject	Details
Publication date:	10 June 2022
Response deadline:	08 July 2022
Team:	Energy Security of Supply Team
Telephone	020 7901 7000
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We are consulting on granting a minor facility exemption from the negotiated third-party access arrangements for SSE Hornsea Limited's Atwick Gas Storage facility. We would like views from people with an interest in gas shipping and storage. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at Ofgem.gov.uk/consultations. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential and if possible put the confidential material in separate appendices to your response.

Contents

Application for a minor facility exemption for SSE Hornsea 1

1. Introduction 5

What are we consulting on? 5
Consultation stages 5
How to respond 5
Your response, data and confidentiality 6
General feedback 7
How to track the progress of the consultation 7

2. Overview 9

Questions 9
GB storage regulatory regime 9
Hornsea gas storage facility 10
Exemption criteria 11
Our position for consultation 11

3. Assessment of "technically necessary" 13

Questions 13
Analysis 14
Peak day headroom 14
Winter headroom 17
Conclusions 20

4. Assessment of "economically necessary" 21

Questions 21
Analysis 23
Pivotality 23
Market share 25
Market concentration 29
Vertically related markets 30
Demand for access to storage and flexibility 31
Transparency 32
Commercially sensitive information 32
Efficient use of capacity 33
Conclusions 34

Appendices.....35
Draft Exemption Order.....36
Questions.....36
Privacy notice on consultations.....40

1. Introduction

What are we consulting on?

1.1. We are consulting on our minded-to position to grant a minor facility exemption from the negotiated third-party access arrangement for SSE Hornsea Limited's Atwick Gas Storage facility (referred to as "Hornsea") as we consider that it is neither technically nor economically necessary for the operation of an efficient gas market. The document is structured as follows.

- Section 2: an overview of negotiated third-party access, minor facility exemptions and the Hornsea gas storage facility.
- Section 3: an understanding of technical necessity, analysis presented and Ofgem's view.
- Section 4: an understanding of economic necessity, analysis presented and Ofgem's view.
- Section 5: a draft of the Exemption Order is provided for comment should our final decision, following consideration of consultation responses, be to grant the minor facility exemption to Hornsea.

Consultation stages

Stage 1	Stage 2	Stage 3	Stage 4
Consultation open	Consultation closes (awaiting decision). Deadline for responses	Responses reviewed and published	Consultation decision/policy statement
10 June 2022	**08 July 2022**	**Q3 2022**	**Q3 2022**

How to respond

1.2. We want to hear from anyone interested in this consultation. Please send your response to the team named on this document's front page.

1.3. We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

1.4. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

1.5. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

1.6. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

1.7. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's ("UK") withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 2.

1.8. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

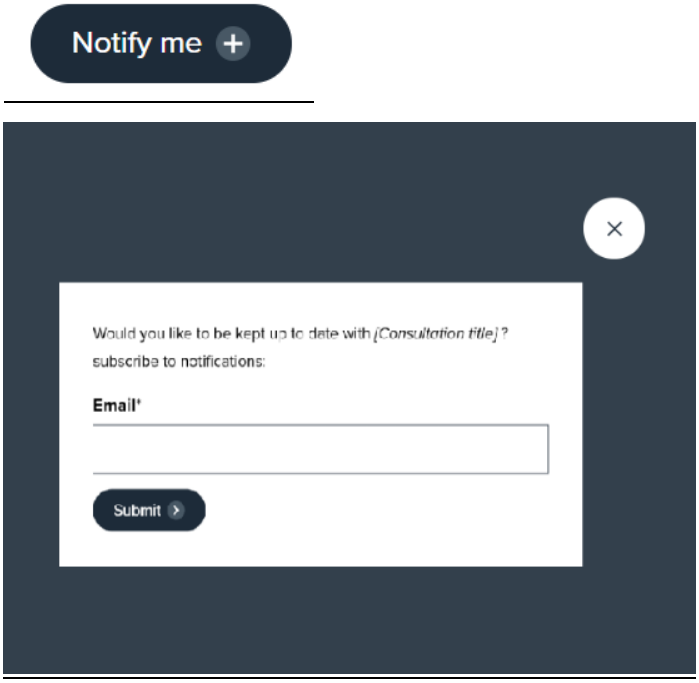
1.9. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

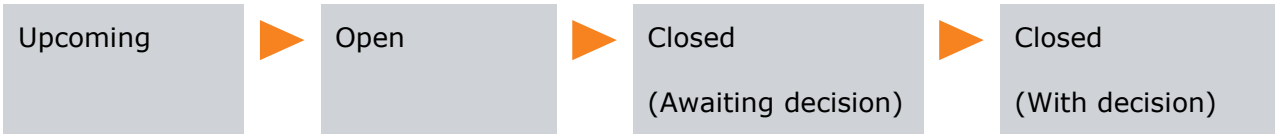
Please send any general feedback comments to stakeholders@ofgem.gov.uk.

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Ofgem.gov.uk/consultations.



Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:



2. Overview

Section summary

An overview of negotiated third-party access, minor facility exemptions and the Hornsea gas storage facility. Our minded-to position, which we are consulting on, is to grant the minor facility exemption that SSE has applied for.

Questions

Question 1: Do you agree with our overall assessment that Hornsea should be granted a minor facility exemption to negotiated third-party access? If not, please explain why.

2.1. In Great Britain ("GB"), the default access arrangements for gas storage is negotiated third-party access ("nTPA"). This defines the terms under which gas storage operators must sell capacity. Under the Gas Act 1986 ("Gas Act"), storage operators can apply to Ofgem for an exemption from these requirements. We can grant a minor facility exemption ("MFE") if we do not consider nTPA at the facility to be technically or economically necessary for the operation of an efficient gas market.

GB storage regulatory regime

2.2. Access arrangements for gas storage facilities are set out in the EU Third Internal Energy Market Package ("Third Package"), which for the purposes of this document means the Gas Directive[1] and the Gas Regulation.[2] This requires member states to choose either nTPA or regulated third-party access ("rTPA") for access to storage facilities. The Gas Directive and Gas Regulation continue to apply as Retained EU Law.[3]

[1] Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC ("Gas Directive") as amended by Directive 2019/692 and as implemented by The Gas (Internal Markets) Regulation 2020/625. The Regulations amended the Gas Act 1986 to implement Directive 2019/692/EC.
[2] Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 ("Gas Regulation"). EC 715/2009 as amended by Electricity and Gas (Powers to Make Subordinate Legislation) (Amendment) (EU Exit) Regulations 2018 SI no.1286.
[3] "Retained EU Law": Retained EU Law has the same meaning as that given by section 6(7) of the European Union (Withdrawal) Act 2018.

2.3. In GB the default regime for natural gas storage facilities is nTPA, as set out in the Gas Act. This means that arrangements must enable storage users to negotiate access to storage when technically or economically necessary for efficient access to the system. In 2011, we published guidance describing our views on the measures that storage operators should consider in meeting the nTPA requirements of the Third Package.[4]

2.4. To provide transparency to the market on when nTPA has to be offered at a storage facility, the Gas Act and Petroleum Act 1998 ("Petroleum Act") require that an assessment be made and a facility be specifically excluded from the requirement to provide nTPA.

2.5. Our assessment of the exemption application under section 8S of the Gas Act considers, as set out in Article 33 of the Gas Directive, whether nTPA is technically or economically necessary to provide efficient access to the system for the supply of customers as well as for the organisation of access to ancillary services. If it is clear from both criteria that an nTPA is not required, the storage operator can be granted an exemption.

Hornsea gas storage facility

2.6. SSE Hornsea Limited ("SSEHL"), a wholly owned subsidiary of SSE plc, is the owner and operator of the Hornsea gas storage facility in East Yorkshire. Hornsea was developed by British Gas and came into operation in 1979. It has been owned by SSEHL since September 2002 when it was purchased from Dynegy Hornsea Ltd and has operated without an MFE thus far. Hornsea has storage capacity of 325 million cubic meters ("mcm"), a withdrawal rate of up to 11.8 mcm/d and injectability of 2mcm/d.

2.7. Hornsea storage service uses a Standard Bundled Unit ("SBU"). Each SBU affords the customer approximately: (i) 1 kWh deliverability, (ii) 34.66 kWh space and (iii) 0.24 kWh injectability. SBUs are currently sold for a minimum period of one storage year running from the start of May through to the end of April.

2.8. After Stublach, Hornsea is the storage facility with the largest capacity in GB. The Stublach site was granted an MFE on 26 June 2014.[5] SSEHL is currently the only storage

[4] https://www.ofgem.gov.uk/publications-and-updates/guidance-regulatory-regime-gas-storage-facilities-great-britain
[5] https://www.ofgem.gov.uk/publications/final-decision-storengy-uk-ltds-application-minor-facilities-exemption-stublach-gas-storage-phase-2

site that does not hold an MFE, despite its comparable capacity and production rates to other storage facilities (see Table 9 in Section 4).

2.9. On 1 June 2015 Ofgem rejected an application by SSEHL for an MFE.[6] This was primarily as Ofgem judged SSEHL's market share as sufficient to enable it to distort the efficient functioning of the flexibility market. Since then, however, market conditions have changed. For example, we are experiencing a period of elevated uncertainty in the GB gas market in general following global recovery from the Covid pandemic and the outbreak of war in the Ukraine.

2.10. We consider that it is appropriate to consider a re-application for an MFE by Hornsea gas storage facility.

Exemption criteria

2.11. The Authority[7] exempts storage facilities from nTPA and independence requirements when it is satisfied that the use of the facility by other persons is not technically or economically necessary for the operation of an efficient gas market. This test for an MFE is contained in section 8S of the Gas Act. The basis for our assessment approach is set out in our 2009 open letter.[8]

Our position for consultation

2.12. We have considered SSEHL's application and our minded-to position is to grant the MFE as we do not consider nTPA to be technically or economically necessary for the operation of an efficient gas market.

2.13. We're consulting on this position; please send any responses to energy.securityofsupply@ofgem.gov.uk by 08 July 2022. The remainder of this document

[6] https://www.ofgem.gov.uk/publications/final-decision-ssehls-application-minor-facilities-exemption-hornsea-gas-storage-facility
[7] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) reports to GEMA in its day-to-day work.
[8] https://www.ofgem.gov.uk/publications/gas-storage-minor-facility-exemptions-open-letter

sets out the analysis we have considered in reaching our minded-to position on SSEHL's application.

3. Assessment of "technically necessary"

Section summary

An understanding of technical necessity, analysis presented and Ofgem's view. Our minded-to position is that nTPA at Hornsea is not technically necessary for the operation of an efficient gas market.

Questions

Question 2: Do you agree with our approach to considering whether nTPA is technically necessary for the operation of an efficient gas market? If not, please explain why.

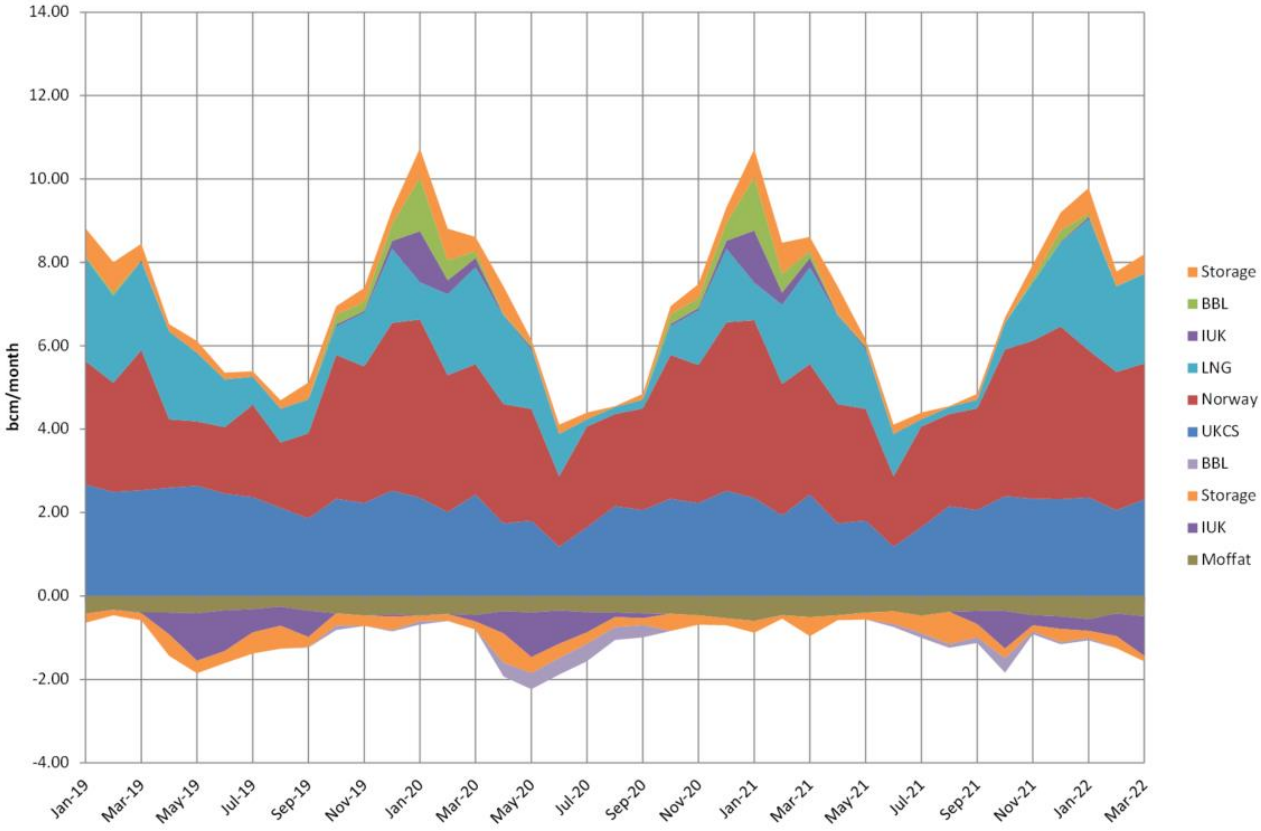
Question 3: Would you suggest any additional analysis to assess whether nTPA is technically necessary. If so, what?

Question 4: Do you agree with our overall assessment that nTPA at Hornsea is not technically necessary? If not, please explain why.

3.1. In our 2009 open letter, we set out how we assess applications for an MFE. We consider, among other things, whether nTPA is technically necessary for the operation of an efficient gas market.

3.2. The market may have a technical requirement for flexible gas sources to meet fluctuations in demand. However, this does not imply that nTPA is "technically necessary" at a particular storage facility, or for gas storage in general. Shippers have a variety of ways to meet requirements for flexibility. As set out in our 2009 open letter, we do not think nTPA is likely to be technically necessary in the GB market – except at very large or strategically important facilities. At present, the GB market has a diverse range of supply sources and capacity in excess of peak demand.

Figure 1: Gas demand and supply source by month - GB market



Source: Ofgem analysis of National Grid Gas data.

Analysis

Peak day headroom

SSE group view

3.3. In assessing whether access to the SSE group's storage fleet is technically necessary on a peak day, SSE have provided forward forecasts of peak day supply capability, demand and the resulting forecast headroom. This has been provided for all four of National Grid's Future Energy Scenarios ("FES") 2020. It assumes no further supply additions after 2025.

3.4. Headroom in capacity is calculated by subtracting 1-in-20 peak day gas demand from peak day gas supply, minus SSE's total daily storage deliverability, for each of the years in consideration. The headroom is then compared to SSE daily storage deliverability, to indicate if SSE can influence the efficiency of the GB gas market with its storage deliverability.

3.5. For the purpose of this analysis, SSE have considered all of SSE's storage capacity as effectively a single unit (i.e. 100% of the Hornsea facility and 67% of the Aldbrough facility which is co-owned by SSE). SSE's fleet peak capacity in each of the years is 290 GWh/d, consisting of 130 GWh/d for Hornsea and 160 GWh/d for Aldbrough (67%).

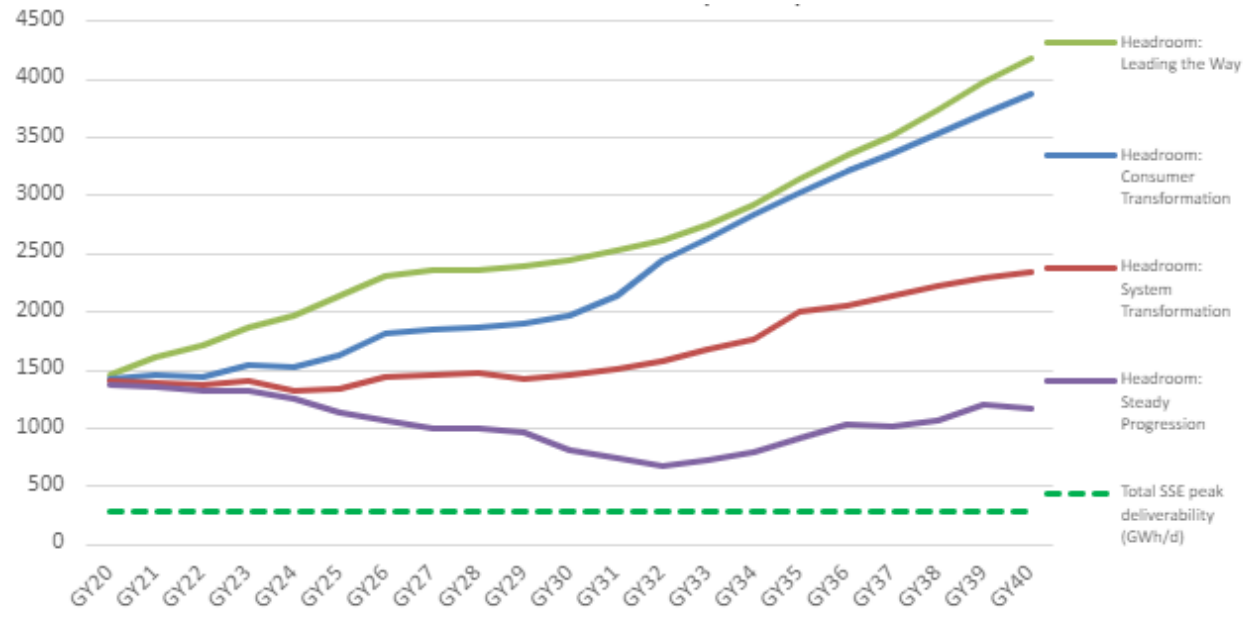
3.6. In all years and demand scenarios assessed, headroom is significantly in excess of the SSE group's peak deliverability (290 GWh/d). This implies it would take a significant loss of supply before the SSE group's facilities are required to meet peak day demand.

Table 1: Total peak day headroom (supply minus demand) (1 in 20 demand), for next 10 years

Headroom (GWh/d)	GY 21	GY 22	GY 23	GY 24	GY 25	GY 26	GY 27	GY 28	GY 29	GY 30
Consumer Transformation	1459	1450	1540	1531	1628	1815	1857	1876	1910	1973
System Transformation	1391	1378	1412	1319	1347	1445	1452	1473	1435	1460
Leading the Way	1616	1716	1872	1973	2142	2313	2366	2365	2388	2447
Steady Progression	1351	1323	1321	1252	1129	1067	1005	1003	960	821

Source: SSE analysis of National Grid Gas data, Future Energy Scenarios 2020.

Figure 2: Peak day demand headroom vs SSE group deliverability (GWh/d)



Source: SSE analysis of National Grid Gas data, Future Energy Scenarios 2020.

Our view

3.7. We have considered the 1-in-20 peak day[9] demand and supply from the National Grid Winter Outlook for 2021/22.[10] We have also calculated an estimated growth rate for both supply and demand based on the Steady Progression scenario within the National Grid Gas Ten-year Statement 2020.[11] From this we have calculated the headroom between 1-in-20 peak day demand and 1-in-20 peak day supply for Gas Year 2021 to Gas Year 2030.

3.8. We consider Steady Progression to be a conservative prediction of the future of gas as it shows the slowest predicted speed of decarbonisation and lowest level of societal change in the National Grid future energy scenarios.[12]

Table 2: 1-in-20 Peak day headroom, GWh/d

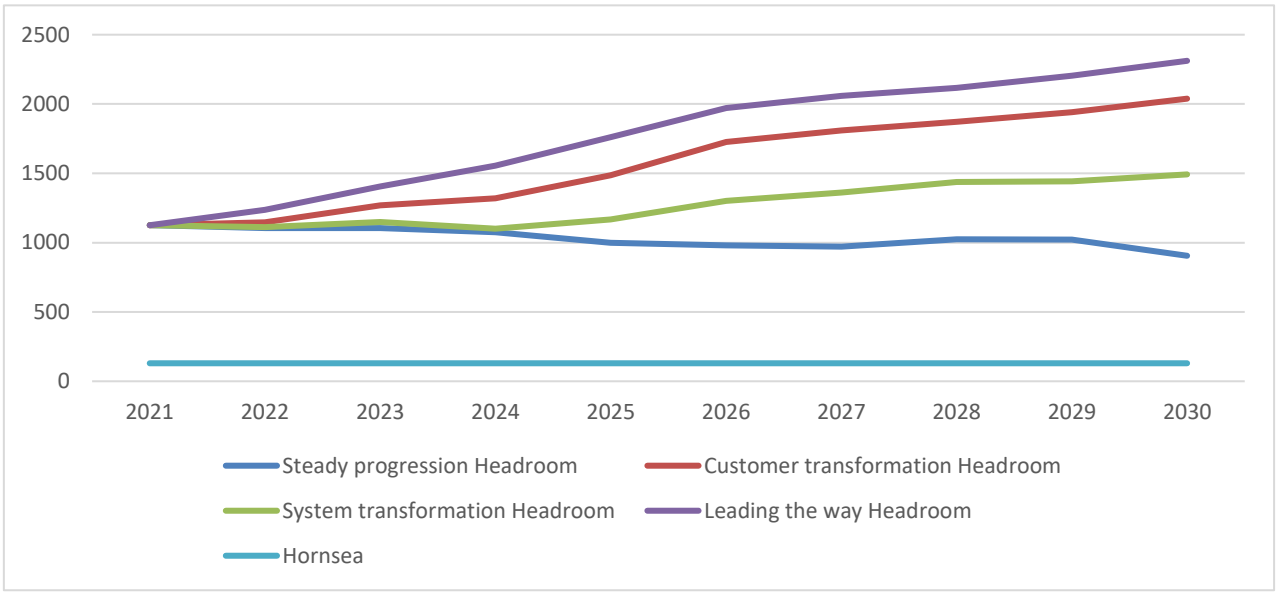
Natural Gas Year Beginning	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
1-in-20 peak demand	5471	5502	5499	5504	5554	5547	5520	5430	5408	5513
1-in-20 non-storage supply	5330	5332	5330	5305	5279	5252	5217	5180	5154	5144
1-in-20 storage supply	1267	1275	1275	1275	1275	1275	1275	1275	1275	1275
Headroom	1127	1104	1105	1076	1000	980	972	1025	1021	905
Hornsea deliverability	130	130	130	130	130	130	130	130	130	130

Source: Ofgem analysis of NGG's Winter Outlook 2021/22 and Gas Ten-year Statement 2020

3.9. The chart below shows Peak winter headroom for all of National Grid's Future Energy Scenarios.

[9] The 1-in-20 peak day is calculated from a statistical distribution of simulated historical peak days. It means that statistically, in a long series of winters, it would be exceeded in one out of 20 winters.
[10] https://www.nationalgrid.com/gas-transmission/insight-and-innovation/winter--outlook
[11] https://www.nationalgrid.com/gas-transmission/insight-and-innovation/gas-ten-year-statement-gtys
[12] https://www.nationalgrid.com/gas-transmission/document/133851/download, Page 14

Figure 3:1-in-20 Peak day headroom vs Hornsea daily deliverability, GWh/d



Source: Ofgem analysis of NGG's Winter Outlook 2021/22 and Gas Ten-year Statement 2020

3.10. In all years and scenarios assessed, headroom is significantly in excess of Hornsea's peak deliverability (as well as SSE Fleet's peak deliverability (290GWh/d)). This implies it would take a significant loss of supply before the Hornsea facility is needed to meet peak day demand.

Winter headroom

SSE view

3.11. Further to considering a peak day, the second metric used to consider technical necessity is headroom on a Winter Day. SSE has based its assessment of this metric on the National Grid FES 2020 and the National Grid 2020/21 Winter Outlook for previous demand figures. Growth rates were calculated for annual demand growth for each FES 2020 demand scenario and these growth rates were then applied to the total forecasted demand for Winter 2020 from National Grid's 2020/21 Winter Outlook to extrapolate a total winter demand for each year forecasted up to Gas Year 2026.

3.12. These demand estimates were compared to supply estimates. These were derived by calculating the total of all non-storage supply deliverability (UK Continental Shelf, LNG, continental interconnectors, Norwegian piped) and total GB storage capacity and assumes

that the GB storage starts the winter period at maximum capacity (100%) and ends empty (0%).

3.13. The difference between these two values is stated as the total winter headroom. The figure is divided by 182 (number of days in October to March inclusive) to provide the winter period daily average supply-demand headroom.

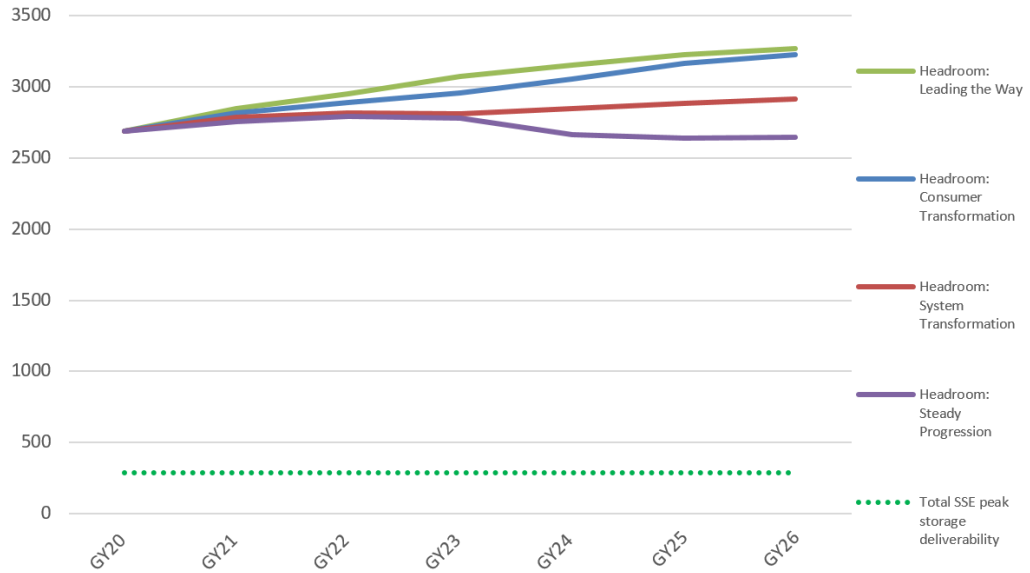
3.14. In all years and demand scenarios assessed, average daily headroom is significantly in excess of the SSE group's peak daily deliverability (290 GWh/d). This implies it would take a significant loss of supply (far in excess of the single largest possible loss) before the SSE group's fleet of storage facilities is needed to meet demand over winter.

Table 3: Winter period average supply headroom, next 5 years

Headroom (GWh/d)	*GY 22*	*GY 23*	*GY 24*	*GY 25*	*GY 26*
Consumer Transformation	2890	2957	3055	3163	3229
System Transformation	2819	2815	2848	2882	2914
Leading the Way	2952	3072	3155	3226	3268
Steady Progression	2796	2779	2667	2640	2648

Source: SSE analysis of National Grid Gas data, Future Energy Scenarios 2020

Figure 4: Winter daily headroom by FES scenario vs SSE storage deliverability (GWh/d)



Source: SSE analysis of National Grid Gas data, Future Energy Scenarios 2020

Our view

3.15. We have calculated winter average daily headroom using forecast winter demand and peak supply from National Grid's Winter Outlook 2021/22. The growth rates have been determined using National Grid's Ten-year Statement based on the Steady Progression scenario. From this we have calculated the headroom between average daily forecast winter demand and peak supply.

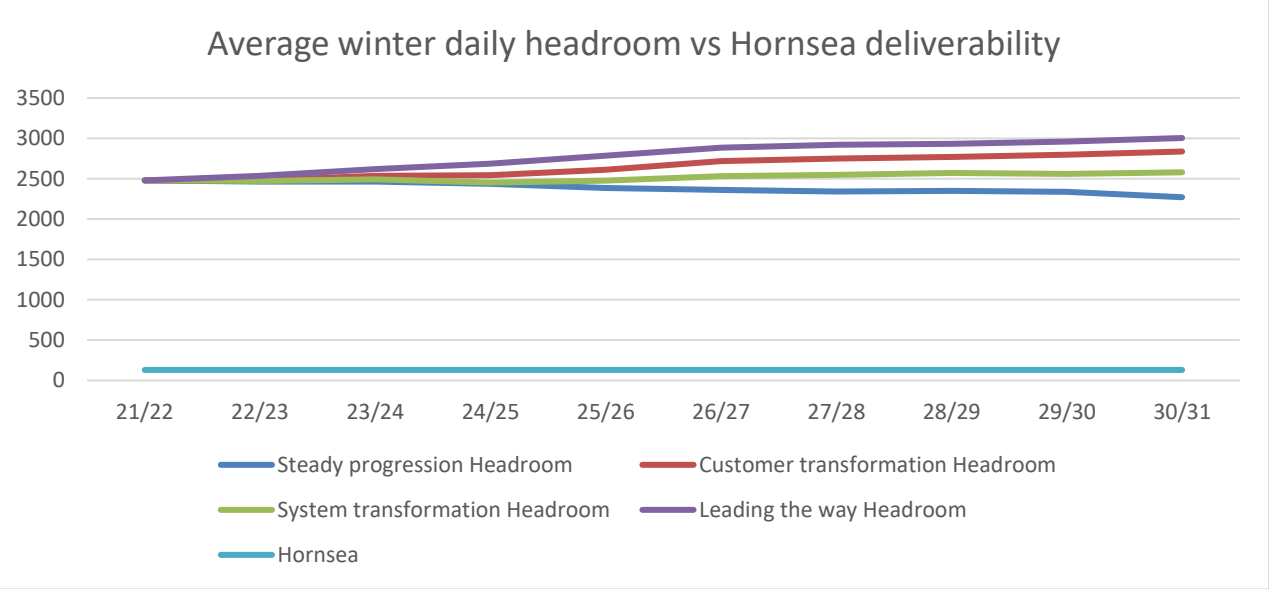
Table 4: Winter daily headroom by FES scenario vs Hornsea storage deliverability (GWh/d)

Winter average GWh/d per Gas Year	**21/22**	**22/23**	**23/24**	**24/25**	**25/26**	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**
Daily headroom	2479	2464	2463	2436	2383	2360	2340	2350	2337	2270
Hornsea deliverability	130	130	130	130	130	130	130	130	130	130

Source: Ofgem analysis of National Grid Gas data: 10-year statement 2020 and winter outlook 21/22

3.16. The chart below show's average winter headroom for all of National Grid's Future Energy Scenarios.

Figure 5: Average winter daily headroom by FES scenario vs Hornsea storage deliverability (GWh/d)



Source: Ofgem analysis of National Grid Gas data: 10-year statement 2020 and winter outlook 21/22

3.17. In all years assessed, headroom is again significantly in excess of Hornsea's peak deliverability (as well as SSE fleet's peak deliverability (290GWh/d)). This implies it would take a significant loss of supply before the Hornsea facility is needed to meet average winter daily demand.

Conclusions

3.18. This result is aligned with our view of the GB market. Price signals in the GB market are designed to encourage gas to be made available in the short term and investment to meet demand and demand for flexibility. In short, the GB market has supply capability well in excess of both peak and average winter daily demand.

3.19. As a result, we conclude that nTPA at Hornsea is not technically necessary for the operation of an efficient gas market.

4. Assessment of "economically necessary"

Section summary

An understanding of economic necessity, analysis presented and Ofgem's view. Our minded-to position is that nTPA at Hornsea is not economically necessary for the operation of an efficient gas market.

Questions

Question 5: Do you agree with our approach to considering whether nTPA is economically necessary for the operation of an efficient gas market? If not, please explain why.

Question 6: Would you suggest any additional analysis to assess whether nTPA is economically necessary. If so, what?

Question 7: Do you agree with our overall assessment that nTPA at Hornsea is not economically necessary? If not, please explain why.

4.1. In line with our 2009 open letter, we have considered whether access to the SSE group's fleet of storage facilities is economically necessary for the operation of an efficient gas market. In doing this, we have examined whether the exemption is likely to adversely affect competition in the market and provide a materially worse outcome than if the exemption is not granted.

4.2. We have assessed whether a lack of nTPA at Hornsea could give SSE market power or cause weak competition in the GB flexibility market. We also consider the impact of the exemption on market operation, including transparency and efficient use of capacity.

4.3. In assessing the impact of the exemption, the SSE's fleet of storage facilities have been assessed as if they were a single facility (i.e. 100% of the Hornsea facility and 67% of Aldbrough, which is co-owned by SSE). We feel it is appropriate to consider SSE's storage facilities in this manner for economic necessity as it provides an indication of SSE's market share and power.

4.4. There is no single test and we rely on a range of indicators of potential market power and impacts on market signals. We begin by defining the relevant market for our analysis. We then use this definition to test for market power. We consider four potential indicators:

- Pivotality;
- Market share;
- Market concentration;
- Vertically related markets.

4.5. The characteristics of SSEHL and the wider SSE storage fleet make it a medium range storage ("MRS") facility. We define MRS as storage facilities with the capability to deliver maximum stock at full capacity for several days or weeks. We build our market definition starting with all MRS facilities in the GB market – as any one MRS facility is likely to be a very close substitute for Hornsea.

4.6. We consider other sources of flexibility in the GB gas market, which could act as substitutes for Hornsea. A description of each is set out below.

- *Short range storage ("SRS"):* SRS facilities have the capability to deliver gas from its maximum stock at full capacity for only a few days. They typically take much longer to refill than withdraw (e.g. LNG storage). SRS is typically used to withdraw in response to peak market conditions.
- *Liquefied Natural Gas ("LNG"):* LNG is imported into GB through three terminals: South Hook, Dragon and Isle of Grain. Levels of LNG imports are largely dependent on price differentials between the National Balancing Point ("NBP") and alternative destinations. LNG terminals have some storage to facilitate the unloading of ships and subsequent injection of gas into the system. This storage could allow for some flexibility by varying send-out rates, but this may be dependent on the level of gas in tanks and the expected arrival of the next cargo.
- *UKCS ("Beach Flex"):* Much domestic gas production on the UKCS operates as baseload – particularly associated gas production in the Northern North Sea. Some "dry gas" production in the Southern North Sea and Irish Sea can operate more flexibly.
- *Norway:* The Langeled and Vesterled pipelines and the Tampen link import gas from Norway to GB. Historically, this gas has generally operated as baseload supplies to GB. The Norwegian offshore transmission system can provide for flexibility in delivery of gas.
- *Interconnector Limited ("INT"):* This interconnector runs from Zeebrugge in Belgium to Bacton. It has the capability to both import and export gas, though at different rates.

- *Bacton-Balgzand Line ("BBL"):* This interconnector runs from Balgzand in the Netherlands to Bacton. It has the capability to both import and export gas, though at different rates.
- *Demand-Side Response ("DSR"):* DSR occurs where consumers reduce their consumption, most likely in response to rising prices. Gas-fired generators and large industrial and commercial ("I&C") consumers are most likely to provide DSR. Previously, we have not included flexibility from DSR as it is likely to operate in a different price range from storage and it is difficult to anticipate the availability of DSR on a given day.

Analysis

Pivotality

4.7. As laid out in Ofgem's regulatory guidance document for GB storage facilities published in 2015,[13] our view is that pivotality analysis should be used as the main structural measure of market power. Pivotality analysis identifies the market players that are 'pivotal' by using demand and supply data. When a market player is pivotal, total demand cannot be met from the total supply from all other sources of supply.

4.8. We have previously considered that a market player with a 'pivotal volume' in excess of 10% will be generally deemed to have significant market power. A high volume of pivotal gas means there is a greater likelihood that the market player can significantly affect prices.

SSE group view

4.9. SSE have argued, and provided supporting evidence, that their fleet of storage facilities are not economically 'pivotal'. The table below shows SSE pivotality based on the FES 2020 scenario of Steady Progression, which is the highest demand case and therefore the most likely that SSE will exhibit pivotality. The table shows SSE's pivotal gas volume of supply as a percentage of GB gas demand. The figures within brackets in the table shows the number of periods in the gas year in which SSE is pivotal. As shown in the table below

[13] https://www.ofgem.gov.uk/publications/guidance-regulatory-regime-gas-storage-facilities-great-britain

SSE exhibit no pivotality for any time period up to Gas Year 2026/27 in the Steady Progression scenario.

Table 5: Proportion of SSE's gas supply classed as 'pivotal'

Pivotality results (Ref)	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Daily	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Weekly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Monthly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Quarterly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Seasonal	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]

Source: SSE analysis utilizing National Grid's FES 2020 Steady Progression demand scenario.

Our view

4.10. We have used the Ofgem Pivotality Model[14] as published in September 2015. We have updated this with actual data figures from National Grid Data Item Explorer,[15] Ofgem's annual storage facilities report[16] and forecasted data from the Gas Ten-year Statement 2020.[17] It takes into account the SSE fleet as a whole (100% Hornsea and 67% Aldbrough). We consider that a market player with a 'pivotal volume' in excess of 10% will be generally deemed to have significant market power. We found that the SSE fleet is not pivotal in any of the periods under consideration.

Table 6: Proportion of SSE's gas supply classed as 'pivotal'

Pivotality results	**21/22**	**22/23**	**23/24**	**24/25**	**25/26**	**26/27**	**27/28**	**28/29**
Daily	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Weekly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Monthly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Quarterly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Seasonal	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]

Market player's 'pivotal gas volume of supply' as % of GB gas demand, [number of periods in which market player is pivotal]. Source: Ofgem analysis of multiple data sources published by National Grid.

[14] https://www.ofgem.gov.uk/publications/guidance-regulatory-regime-gas-storage-facilities-great-britain-version-2, Subsidiary documents "Gas Pivotality Model".
[15] https://mip-prd-web.azurewebsites.net/DataItemExplorer
[16] https://www.ofgem.gov.uk/publications/gb-gas-storage-facilities-2022
[17] https://www.nationalgrid.com/gas-transmission/insight-and-innovation/gas-ten-year-statement-gtys

4.11. Further to this we considered SSE fleet's pivotality in N-1 conditions, which represents the failure of the largest piece of infrastructure on the National Transmission System.[18]

Table 7: Proportion of SSE's gas supply classed as 'pivotal' in N-1 conditions

Pivotality results	**21/22**	**22/23**	**23/24**	**24/25**	**25/26**	**26/27**	**27/28**	**28/29**
Daily	6%, [1]	6%, [1]	6%, [1]	7%, [1]	8%, [1]	9%, [1]	10%, [1]	11%, [1]
Weekly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Monthly	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]	0%, [0]
Quarterly	2%, [1]	2%, [1]	2%, [1]	3%, [1]	4%, [1]	4%, [1]	6%, [1]	4%, [2]
Seasonal	17%, [1]	17%, [1]	17%, [1]	18%, [1]	19%, [1]	20%, [1]	21%, [1]	22%, [1]

Market player's 'pivotal gas volume of supply' as % of GB gas demand, [number of periods in which market player is pivotal]. Source: Ofgem analysis of multiple data sources published by National Grid.

4.12. In the N-1 scenario, which we consider to be an extreme event, some demand is required from SSE but this rarely exceeds 20 per cent of total demand. In conclusion, we do not see risks due to significant pivotality from SSE and, on the basis of pivotality, nTPA at Hornsea is not economically necessary for an efficient gas market.

Market share

SSE group view

4.13. SSE have calculated the SSE group's share of the gas flexibility market based on the three market definition scenarios developed by Ofgem and utilized during the assessment of previous applications for an nTPA exemption.

- Ofgem definition 1: MRS + LRS[19] + 50% INT + Beach Flex + 25% LNG
- Ofgem definition 2: MRS + LRS + 70% INT + 25% BBL + 15% Norway + Beach Flex + 50% LNG
- Ofgem definition 3: MRS + LRS + 100% INT + 50% BBL + 30% Norway + Beach Flex + 50% LNG

[18] https://www.nationalgrid.com/gas-transmission/document/137156/download, page 23.
[19] LRS is Long-range storage.

4.14. The SSE group recognise that their market share is generally above 10% of flexible supply market share, with only Ofgem definition 3 below 10%. SSE state that there is negligible difference in the market share between Hornsea and the Stublach site owned and operated by Storengy UK Limited under the Ofgem definitions. Given Storengy's Stublach site has already been granted an nTPA exemption, SSE argue that SSEHL is effectively discriminated against by continuing to be obligated under nTPA.

Our view

4.15. We consider Ofgem's three definitions, as used by SSE, to still be appropriate for calculating market share.

- Ofgem definition 1: MRS + LRS + 50% INT + Beach Flex + 25% LNG
- Ofgem definition 2: MRS + LRS + 70% INT + 25% BBL + 15% Norway + Beach Flex + 50% LNG
- Ofgem definition 3: MRS + LRS + 100% INT + 50% BBL + 30% Norway + Beach Flex + 50% LNG

4.16. However, we consider that Ofgem definition 1 is very conservative, without any Norwegian or BBL deliverability and lower deliverability for INT and LNG. Therefore, we put more weight on definitions 2 and 3.

4.17. The first definition is all medium and long-range storage ("LRS") deliverability, as these are close substitutes for flexibility services provided by Hornsea. We note however, since the closure of Rough storage facility in 2017, GB currently has no long-range storage facilities. We have also included the flexible element of UKCS production ("beach flex"). In addition, in definition 1 we have included 50 per cent of INT deliverability. There is significant variation in the flexibility of LNG, driven by the availability and timing of cargoes. Therefore, definition 1 includes an assumption that only 25 per cent of LNG capacity is able to provide flexibility.

4.18. Definition 2 builds on definition 1, but we include 15 per cent of Norwegian gas deliverability to GB on the basis that Norwegian flows have some technical flexibility between destination markets. We also include a 70 per cent share of INT and 25 per cent share of BBL deliverability. A greater proportion of LNG capacity is included, at 50 per cent.

4.19. Definition 3 builds on definition 2 by increasing the proportion of Norwegian gas (to 30 per cent) and interconnector flows (100 per cent for INT and 50 per cent for BBL).

4.20. In all market definitions we exclude SRS and DSR. We exclude SRS (effectively LNG storage) because its limited duration and long refill times mean it is unlikely to operate as a competitive constraint on other forms of flexibility. We exclude DSR as we have limited information on its likely scale and we expect DSR to be more likely to occur in an exceptionally tight margin, rather than as a day-to-day source of flexibility.

4.21. For our calculations we have taken the base data from National Grid's Winter Outlook 2021/22 and calculated a growth/decline rate based on the Steady Progression scenario in the National Grid Ten-year statement. We compare this to SSE deliverability (100% Hornsea and 67% Aldbrough).

4.22. We have calculated beach flex as the difference between UKCS maximum capacity and average UKCS utilisation from the National Grid Gas Winter Outlook 2020/21 workbook.[20]

4.23. Our results show a market share of between 15 and 17.5 per cent over the period covered for definition 1, between 10 and 12.5 per cent for definition 2 and between 7.5 and 10 per cent for definition 3.

Table 8: SSE market shares (% of relevant market)

Year	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Ofgem definition 1	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%	15%-17.5%
Ofgem definition 2	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%	10%-12.5%
Ofgem definition 3	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%	7.5%-10%

Source: Ofgem analysis of multiple data sources published by National Grid.

4.24. In March 2021, the Competition and Markets Authority ("CMA") published 'A Quick Guide to UK Merger Assessment".[21] In this they state, "The CMA does not apply any

[20] https://www.nationalgrid.com/gas-transmission/insight-and-innovation/winter--outlook

[21] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970333/CMA18_2021version-.pdf

thresholds to market share, number of remaining competitors or on any other measure to determine whether a loss of competition is substantial".[22] Although this relates to mergers, we agree this is a sensible approach in considering market power. In our Open Letter on Gas Storage third-party exemptions from June 2009 we state, "There is no single indicator that is likely to infer potential market power so several factors are likely to be considered".[23]

4.25. When considered as part of the 2015 Hornsea exemption application,[24] the market shares were in the 15-20 per cent range for Ofgem definition 1 and the 10 to 15 per cent range for Ofgem definitions 2 and 3. Therefore, our current calculations show a slight reduction in market share under Ofgem definition 3. We noted in the 2015 consultation document that "Our analysis suggests that there is increased potential for market power in the flexibility market".[25]

4.26. Although we still consider that the market shares highlight increased potential for market power, we have also considered these findings as a whole. We note, for example, that the European Commission has stated that "If a company has a market share of less than 40%, it is unlikely to be dominant".[26] Therefore, although the risks of market power are higher for SSE[27] than they may be for other GB storage facilities, we consider that the risks are no longer sufficient, in the round, for nTPA to be economically necessary at the Hornsea gas storage facility. The market shares in each of the Ofgem definitions are significantly below 40% and each of the other tests we have used to consider economic necessity do not raise any significant concerns.

4.27. The table below demonstrates that the Hornsea storage site is comparable in size and deliverability to alternative GB storage sites but is the only site that operates under nTPA.

[22] Ibid. Paragraph 3.4, page 9.
[23] https://www.ofgem.gov.uk/publications/gas-storage-minor-facility-exemptions-open-letter, page 4.
[24] https://www.ofgem.gov.uk/publications/sse-hornsea-ltds-ssehl-application-minor-facilities-exemption-hornsea, Table 2, page 17.
[25] Ibid. Paragraph 2.34, page 17.
[26] https://ec.europa.eu/competition-policy/antitrust/procedures/article-102-investigations_en
[27] As per table 9, for Gas Year 21/22 for SSE this is 15-17.5% under Ofgem definition 1, 10-12.5% under Ofgem definition 2 and 7.5-10% under Ofgem definition 3.

Table 9: Current GB storage facilities

Facility	Estimated Working gas volume (mcm)	Approx. max. production rate (mcm/d)	Approx. max. injection rate (mcm/d)	Withdrawal duration, from full assuming max. rate (days)	Start date	Owner
Facilities operating under nTPA rules						
Hornsea (Atwick)	300	12	3	21	1979	SSE Hornsea Limited
nTPA exempt facilities that are currently operational						
Hatfield Moor	70	2	2	60	2000	Scottish Power
Humbly Grove	243	7	8	34	2005	Humbly Grove Energy
Aldbrough	221	31	29	7	2009	SSE Hornsea Limited/ Equinor
Holford	237	22	26	19	2011	Uniper UK Ltd
Hill Top Farm	59	13	13	5	2011	EDF Energy
Stublach	400	30	30	13	2014	Storengy

Source: Ofgem GB Gas Storage Facilities 2022.[28]

4.28. We consider that it is appropriate for the storage sites to be able to operate on a level playing field, considering that the Hornsea site is not the largest, in either capacity or deliverability.

4.29. We do not consider the market share of the SSE group sufficient to grant it excessive market power that could be used to distort the flexibility market. Furthermore, we recognise the fact that the market share of the Hornsea site alone is much lower than that of the SSE fleet.

Market concentration

4.30. We have calculated the market concentration of the GB gas storage market using the Herfindahl-Hirschman index ("HHI"). It is calculated by squaring the market share of each

[28] https://www.ofgem.gov.uk/publications/gb-gas-storage-facilities-2022

facility in the market and summing the results. We have calculated it based on both capacity and deliverability:

- GB gas storage facilities HHI, capacity: 1805
- GB gas storage facilities HHI, deliverability: 1980

4.31. An index between 1500 and 2500 is considered to be moderately concentrated.[29] The HHI for the GB gas market does not indicate any concerns with market concentration.

Vertically related markets

4.32. When examining market power in the flexibility market, it is also important to consider the impacts of market power in both the upstream and downstream related markets. If a facility owner/capacity holder has market power in one of the vertically related markets then it may be possible to use this market power to influence the market outcome in the flexibility market. One motivation for this could be to protect its position in the vertically related market by foreclosing the flexibility market, that is, by raising barriers to entry or expansion.

4.33. When the 2015 Hornsea decision was made, SSE held positions in the retail market, as well as the wholesale market and in electricity generation. In 2014 SSE had a 14% market share in the domestic gas retail market, which we considered to be a significant position. Therefore, there was a risk that SSE could have an incentive to raise barriers in the flexibility market to protect its retail or generation market positions and that third-party access to Hornsea may be economically necessary to avoid this.

4.34. In January 2020, OVO Energy Limited bought SSE Energy Services Group Limited, which was the arm of the SSE group that supplied energy to domestic consumers. Consequently, SSE currently has 0% market share of the GB domestic gas retail market.[30] SSE continues to operate in the non-domestic gas and wholesale electricity generation GB markets.

[29] https://www.investopedia.com/terms/h/hhi.asp
[30] https://www.ofgem.gov.uk/retail-market-indicators

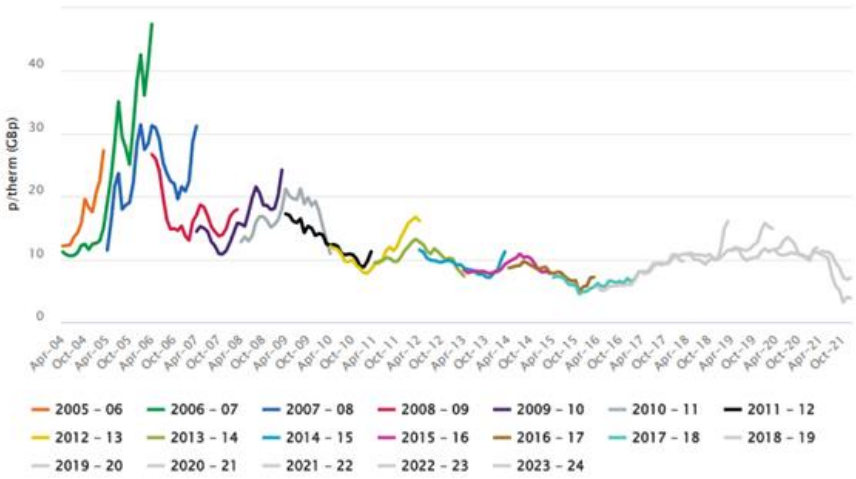
4.35. We consider that the risk that SSE could raise barriers in the flexibility market to protect its retail or wholesale market position to be sufficiently small that nTPA to Hornsea is not economically necessary to prevent this.

Demand for access to storage and flexibility

4.36. In considering whether access to storage is economically necessary for the operation of an efficient gas market, we have looked at the market for flexibility. Where there is a potential shortage of flexible capacity in the market, ensuring open access to storage may be more important for the operation of an efficient overall market. Conversely, where there is ample flexible capacity in the market, nTPA at an individual storage facility may be less important for the operation of an efficient overall market.

4.37. We have considered the summer-winter price spreads as an indicator of the gas market demand for flexibility. The summer-winter price spread is the difference in gas wholesale prices between the summer and the following winter. It is generally considered to be a good measure of the value of seasonal gas storage. It is equivalent to the simple arbitrage of buying gas in summer and selling the following winter. We measure this by calculating the difference between the average price of the Quarter 2 and Quarter 3 contracts and the price of the Quarter 1 contract for the following year.

Figure 6: Gas summer-winter spreads at the National Balancing Point (GB)



Source: Ofgem calculations using data from ICIS, information correct as of January 2022.[31]

[31] https://www.ofgem.gov.uk/energy-data-and-research/data-portal/wholesale-market-indicators

4.38. Figure 6 shows a general decline in the spreads of the data period considered. The spreads for 2019-20, 2020-21 and 2021-22 were slightly higher again, however from July 2021 the spreads for 2022-23 and 2023-24 have begun to fall. Lower spreads over the years are at least partly due to increased imports from other sources. Further, much of our newer import capacity, such as LNG, can operate flexibly and respond dynamically to variations in price, like storage.

4.39. We consider that the summer-winter spreads indicate that the GB gas market is sufficiently flexible that third-party access to a gas storage facility may not be economically necessary for the efficient operation of the GB gas market.

Transparency

4.40. The transparency requirements of the third package with regard to gas storage[32] apply to a facility regardless of whether it is subject to nTPA. This means that SSEHL will be required to publish daily information on the amount of gas in the facility, inflows and outflows and the available storage capacity. As a result, we do not consider that an exemption would be likely to have a detrimental impact on transparency.

Commercially sensitive information

4.41. In summary, provisions in section 11C (Restrictions on disclosure of information by facility owners) of the Gas Act, which apply to all storage owners, state that:

- The owner of a storage facility must take all reasonable steps to ensure that commercially sensitive information relating to the operation of the facility is not disclosed in a discriminatory way or to an associated undertaking unless disclosure is necessary in order to enable a transaction with that associated undertaking to take place.
- Information which is obtained by the owner when transacting with an associated undertaking must not be used by the owner for any other purpose.

[32] Article 19(4) of Regulation (EC) 715/2009.

4.42. Exempt facilities are not required to put in place the same measures to ensure independence (e.g. unbundling) as those subject to nTPA. However, we still expect them to:

- Have appropriate information management systems in place to ensure that no commercially sensitive information is inadvertently shared with other customers or affiliates;
- Share legitimate information via a non-discriminatory, transparent manner, such as through a public bulletin board; and
- Set out their confidentiality provisions as part of their main commercial conditions.

Efficient use of capacity

4.43. In considering the MFE application, we look at how the facility is expected to be used in practice. In general, where a facility is granted an MFE, we still anticipate that the capacity is used efficiently i.e. in response to price signals in the wholesale market. However, nTPA regime provides additional safeguards. These include:

- The publication by the storage operator of the main commercial conditions;
- The provision of non-discriminatory access;
- Requirements to negotiate in good faith; and
- The ability of the Authority to issue ex-post determinations when disputes arise over access.

4.44. Therefore, the measures that storage operators put in place to ensure capacity is effectively used in the absence of nTPA may be relevant to our consideration of the impact of the exemption.

4.45. SSEHL has provided Ofgem with data on the use of Hornsea by third parties over a ten-year period. We consider that the information provided further strengthens our position that there would be no detriment to efficient use of capacity through an exemption to nTPA.

4.46. SSEHL has stated that it intends to continue to offer access to third parties if the price supported by the market is at a level which has been assessed to reflect fair market value, noting that third-party access remains the strongest model for energy security and risk minimisation.

Conclusions

4.47. On the basis of our analysis, our conclusion is that access to Hornsea is not economically necessary for the operation of an efficient gas market.

4.48. As we consider that nTPA at Hornsea is not technically nor economically necessary for the operation of an efficient gas market, our minded-to position is to grant the MFE. A Draft Exemption Order is provided in Appendix 1.

Appendices

Index

Appendix	Name of appendix	Page no.
1	Draft Exemption Order	36
2	Privacy notice on consultations	40

Appendix 1

Draft Exemption Order

Questions

Question 8: Do you have any comments on this draft Exemption Order?

GAS ACT 1986

SECTION 8S

EXEMPTION

Pursuant to section 8S of the Gas Act 1986 (the "Act"), the Gas and Electricity Markets Authority ("the Authority") hereby gives to SSE Hornsea Limited, as a person who is an owner of a storage facility, an exemption from the application of section 19B of the Act, in respect of Atwick Gas Storage facility located at East Yorkshire (referred to as "Hornsea"), subject to the attached Schedule.

Dr Adrian Richardson
Head of Energy Security of Supply
Authorised in that behalf by the
Gas and Electricity Markets Authority

[DATE - to be added on final Exemption Order]

SCHEDULE

PERIOD, CONDITIONS, AND REVOCATION OF EXEMPTION

A. Interpretation and Definitions

In this exemption:

"the Authority"	means the Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000, as amended from time to time
"the Act"	means the Gas Act 1986, as amended from time to time
"the facility"	means the Atwick gas storage facility located in East Yorkshire, England (referred to as "Hornsea")
"facility owner"	means SSE Hornsea Limited in its capacity as owner of the facility
"facility operator"	means SSE Hornsea Limited in its capacity as operator of the facility

B. *Full description of the storage facility to which this exemption relates*

This exemption relates to the Hornsea facility, which provides capacity to store 325 mcm of gas. Four compressors provide the means to inject up to 2 mcm of gas per day, where it is stored at pressures between 120-270 bar. Gas can be withdrawn at a rate of up to 11.8 mcm per day.

C. *Period*

Subject to section E below, and pursuant to sub-section 8S(3)(b)(i) of the Act, this exemption shall come into effect on the date that it is issued and will continue until it is revoked in accordance with section E.

D. *Conditions*

Pursuant to sub-section 8S(3)(b)(ii) of the Act, this exemption is made subject to the following conditions:

1. The material provided by the facility owner to the Authority in respect of this exemption is accurate in all material respects.

2. The facility owner furnishes the Authority in such manner and at such times as the Authority may reasonably require, with such information as the Authority may reasonably require, or as may be necessary, for the purpose of:

a. performing the functions assigned to it by or under the Act, the Utilities Act 2000, or the Energy Act 2004, each as amended from time to time; or
b. monitoring the operation of this exemption.

3. The facility owner complies with any direction given by the Authority (after the Authority has consulted the relevant gas transporter and, where relevant, the Health and Safety Executive) to supply to the relevant gas transporter such information as may be specified or described in the direction –
    a. at such times, in such form and such manner; and
    b. in respect of such periods,

    as may be so specified or described.

    Where the facility owner is prevented from complying with such a direction by a matter beyond its control, it shall not be treated as having contravened the condition specified in this paragraph.

In this condition:

"information"	means information relating to the operation of the pipe-line system which is operated by a relevant gas transporter
"relevant gas transporter"	means any holder of a gas transporter licence under section 7 of the Act owning a transportation system within Great Britain to which the facility is connected or with whom the facility operator interfaces with as a system operator

4. Should any of the grounds for revocation arise under section E of this exemption, the Authority may, with the consent of the facility owner, amend this exemption rather than revoke the exemption.

5. The Authority may, with the consent of the facility owner, amend this exemption.

6. This exemption is transferable to another facility owner where the Authority has given its written consent to such a transfer. For the avoidance of doubt, all of the conditions contained in this exemption order continue unaffected in respect of any facility owner to whom this exemption order may be transferred (and as if the transferee was substituted in the definition of "facility owner").

E. *Revocation*

Pursuant to sub-section 8S(5) of the Act, this exemption may be revoked in the following circumstances:

1. This exemption may be revoked by the Authority by giving a notice of revocation to the facility owner not less than four months before the coming into force of the revocation in any of the following circumstances:
    a. where:
        i. the Authority considers that the use of the facility is technically or economically necessary for the operation of an efficient gas market;
        ii. the facility owner has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986, as amended from time to time) of the whole or any material part of its assets or undertaking appointed;
        iii. the facility owner has entered administration under section 8 of and Schedule B1 to the Insolvency Act 1986;
        iv. the facility owner is found to be in breach of any national or European competition laws, such breach relating to the facility; or

    b. the facility owner has failed to comply with a request for information issued by the Authority under paragraph D2 above and the Authority has written to the facility owner stating that the request has not been complied with and giving the facility owner notice that if the request for information remains outstanding past the period specified in the notice, the exemption may be revoked; or

    c. the facility owner has failed to comply with a direction issued by the Authority under paragraph D3 above and the Authority has written to the facility owner stating that the direction has not been complied with and giving the facility owner notice that if the direction remains outstanding past the period specified in the notice, the exemption may be revoked.

2. This exemption may be revoked by the Authority with the consent of the facility owner.

Appendix 4

Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation ("GDPR").

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest i.e. a consultation.

4. With whom we will be sharing your personal data

Non-confidential responses will be published on our website. Personal data in confidential responses will not be shared.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

We will continue to review personal data held and remove when considered appropriate with respect to individual projects.

6. Your rights

The data we are collecting is your personal data and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner ("ICO") if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information

For more information on how Ofgem processes your data, click on the link to our "Ofgem privacy promise".