

Response to Ofgem minded-to decision in respect of CMP444

Company Name – Brook Green Supply

Organisation Role – Licenced Supplier

Respondent Name – Kavya

Job Role – Senior Policy and Regulation Analyst

1. To what extent do you agree with our assessment of the impacts of CMP444 options on cost reflectivity? Please provide your detailed rationale and any supporting evidence.

We believe that the originally proposed solution and the proposed alternatives represented good potential interim measures that could be used until the implementation of future REMA reforms. Introducing a cap and floor would help reduce short-term volatility and uncertainty in TNUoS charges, providing greater stability for generators, suppliers and consumers across different geographical locations. This is particularly important, with the potential increases to TNUoS within the upcoming RIIO-3.

2. Do you agree with our assessment of the impacts of CMP444 options on competition between generators? Please provide your rationale and any supporting evidence. If you have contemporaneous documents and/or data to support your assessment of the interactions between CMP444 options and competition in generation we would encourage you to share it with us alongside this consultation response, clearly marking any confidential data.

N/A

3. To what extent do you agree with our views on the interactions between cost-reflectivity and competition? Please provide evidence (qualitative or quantitative) supporting your answer.

N/A

4. To what extent do you agree with our assessment of CMP444 options against ACO (f)? Please provide your detailed reasoning and any evidence in support.

N/A

5. To what extent do you agree with our assessment of CMP444 options against ACO (g)? Please provide your detailed reasoning and any evidence in support.

N/A

6. To what extent do you agree with our assessment of CMP444 options against ACO (h)? Please provide your detailed reasoning and any evidence in support.

N/A

7. To what extent do you agree with our assessment of CMP444 options against the ACOs, taken collectively? Please provide your detailed reasoning and any evidence in support.

N/A

8. Do you consider that implementation of any of the proposals (if we assessed them to better facilitate achievement of the ACOs) would have particular impacts relevant to our principal objective and/or wider statutory duties? Please provide your detailed reasoning and any evidence in support.

We believe that introduction of a temporary cap and floor is a partially effective way to reduce volatility in TNUoS charges. We would also encourage decisions on the REMA to be brought forward, as well as greater clarity to be provided around the impact of RII0-3 price control frameworks. Changes from REMA are likely to take a few years. So having CMP444, it should be used as one of the many interim measures to address volatility issues with TNUoS. Furthermore, introducing a cap and floor to stabilise TNUoS charges will enable investors to make more accurate cost forecasts, improving the financial viability of their projects. This increased predictability fosters greater investor confidence.