

Modification proposal:	Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0024 – Permit All Interested Parties to Raise Operational Issues		
Decision:	The Authority ¹ has decided to consent to this proposal		
Target audience:	GDAA Panel, Parties to the GDAA and other interested parties		
Date of publication:	26 June 2013	Implementation Date:	27 June 2013

Background to the modification proposal²

The Green Deal Arrangements Agreement (GDAA)³ is a multi-party agreement. GDAA parties may be Electricity Suppliers, Green Deal Providers or Finance Parties. The GDAA also identifies 'Interested Persons' as being each party's Contract Manager, the Secretary of State, the Authority, and the Master Registration Agreement Executive Committee.

Under the current GDAA provisions, an Operational Issue⁴ may only be raised by a GDAA party.

The modification proposal

The modification proposal was raised by SSE Energy Supply ('the proposer'). It seeks to amend the GDAA in order that any Interested Person may raise an Operational Issue. The proposer considers that this change will help facilitate better governance of the GDAA. It is noted that only GDAA parties can raise Change Proposals and this provision would not be impacted by this proposal.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent to this change is required.

GDAA Panel⁵ recommendation

At its meeting on 8 March 2013, the GDAA Panel voted to accept this change.

The Authority's decision

We have considered the issues raised by the modification proposal and the consultation responses and decision of the GDAA Panel as recorded in the minutes of the meeting held on 8 March 2013. We have concluded that the implementation of CP0024 would better facilitate the objective of the GDAA:⁶

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² The terms 'modification' and 'modification proposal' have the same meaning as 'change' and 'change proposal' for the purposes of this document.

³ <http://www.greendealorb.co.uk/gdaa>

⁴ Defined as: "any issue or problem perceived by one or more parties arising out of the operation of the arrangements under this Agreement designed to facilitate the performance of the obligations in this Agreement."

⁵ Established pursuant to Section 5 of the GDAA.

⁶ The objective of the GDAA is set out in Recital E of that agreement. For the purposes of Authority decisions, this objective is subject to Recital F and the words "promotes effective competition between Green Deal Providers" are excluded.

To establish an effective mechanism for: (a) the collection of Green Deal Charges through electricity bills by Mandatory Green Deal Suppliers and Voluntary Green Deal Suppliers; and (b) the remittance of these payments to Green Deal Providers or their nominees, so as to enable the efficient use of energy to be promoted under the Green Deal and to do so in a way which protects the interests of consumers, promotes effective competition between electricity suppliers...and promotes the efficient use of energy.

We consider that consenting to this change is consistent with our principal objective and statutory duties.

Reasons for the Authority's decision

We consider that by allowing Interested Persons to raise Operational Issues, this would better facilitate the GDAA objective by enabling a more effective mechanism for the facilitation of the GDAA arrangements. Interested Persons may become aware of issues or problems arising from the operation of the arrangements under the GDAA at an earlier stage to GDAA parties, or which may otherwise not be apparent to GDAA parties. By allowing Interested Persons to raise an Operational Issue, rather than requiring them to lobby a party to raise this on their behalf, this will contribute to more efficient and effective processes.

Pursuant to paragraph 7.1.2 of the GDAA, we consent to CP0024 being made.

Declan Tomany

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Signed on behalf of the Authority and authorised for that purpose