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By email only: REMIT@ofgem.gov.uk

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Dear Joanna,

Regulation on wholesale energy market integrity and transparency (REMIT)

Thank you for your letter of 15 March 2013 in relation to the above.

Good Energy is a small, licensed electricity supplier of 100% renewable electricity to over 32,000 customers; sourced from a community of around 500 small and decentralised generators across the UK. We also supply gas to over 8,500 customers on a tariff which supports the development of renewable heat.

Overall, we consider the publication of insider information that might affect the price of a wholesale energy market product to be a welcome initiative which ought to improve the marketplace. In terms of the specific questions you have asked in your letter, we have set out answers below.

1. Are there specific issues you would like the user manual to cover or other questions you have about registration?

As a small supplier, we would like the user manual to be drafted with the needs of small suppliers in the UK market in mind. The manual should be as clear as possible as to the requirements placed on small suppliers for registration, minimising them as far as possible. For example, any areas of registration or information required which do not have to be submitted by small suppliers should be specifically highlighted.

2. ACER may make extracts of the participant register publicly available, provided that commercially sensitive information is not disclosed. What registration data on market participants would you value being made public by ACER? What data would you be concerned about being made public in this way?

We agree that confidential commercial information should not be disclosed. We would expect disclosure of a market participant's relationship to the market in terms of their status as a supplier, transporter or other status. This information will make clear how the market participant is involved in the market. This will provide other participants with an understanding of how the information a market participant discloses affects the market.

We would be concerned by any information disclosed which is not aligned with the overall aim of the REMIT obligations, for instance, commercially confidential contractual information.

3. What do you see as the advantages and disadvantages of moving towards the use of transparency platforms, either at EU level, regional or national level?

In our view, as there is a single UK market for electricity any transparency platform for should be at GB level. We hope that the national trading arrangements for the UK will remain strong and this initiative will support the national framework. The continuance of a strong UK marketplace will

ensure continuity for all suppliers. We also believe that the additional information disclosed under this initiative should support the national gas market.

Whilst we understand the appeal of transparency at an EU level, at present, our business is focussed on the UK market place. Therefore, transparency platforms at an EU level would generate a considerable amount of information which would not be relevant to our business. This development might not be problematic if the platform is flexible, even for small suppliers, to find and take advantage of the information available on the platform. We consider that great care must be paid to the usability of the transparency platform on such a large geographical scale. Please see our comments on usability in response to question 5, below.

4. Are there significant differences between the needs of electricity and gas market participants for a transparency platform? If so, what are these?

We consider that the electricity and gas markets are both energy markets and so they have similar characteristics. The gas market, as in the electricity market, will have constraints and issues on its supply and transmission. Aside from the technological differences between the two types of fuel, we do not consider there to be major differences between participants needs for a transparency platform between the gas and electricity market.

5. What are the characteristics of an effective transparency platform? Do you see any issues in using transparency platforms to meet your REMIT obligations?

We consider that usability is a key requirement for an effective transparency platform. Each supplier will need to search for, find and use different kinds of information. In this regard, we would like the platform to have standardised data; easily searchable and filtered to ensure that we are able to find the information most relevant to our business. To ensure effectiveness there must be timely posting of notices; otherwise the information will 'leak' to market participants at different times depending on their role and the amount of resource they can devote to monitoring of the market.

The manner in which the information is made available should also be considered. For example, information provided in picture data files is more difficult to process than information provided through data flows. Our preference would be for the transparency platform to generate flows to enable us to process this information into our existing system. Once this is set up, then from our point of view, the processing of the information should be a largely automatic process. The filtering of information will help us locate the information relevant to us by avoiding information which is not relevant to our business.

6. Who are the main users in your organisation of inside information disclosed by other market participants? What information do you need published on such platforms by all participants?

If inside information is made available on an informal basis, then this information would be best used by our trading team. The main types of information that it is useful for our team to have is information on outages affecting transmission, generation, supply, storage, production and any significant demand management.

7. What is an appropriate GB gas market threshold for inside information disclosure and why?

An overarching issue behind this question is that we consider the threshold should be made clear for small suppliers to ensure that we are aware of the information we might need to disclose.

Furthermore, the guidance on the application of Regulation (EU) No 1227/2011 states at Article 2(5) of REMIT that:

“consumption at individual plants under the control of a single economic entity that have a consumption capacity of less than 600GWh per year shall not be taken into account in so far as those plants do not exert a joint influence on wholesale energy market prices due to their being located in different geographical markets”

We consider that the stated threshold of 600GWh is clear. However ambiguity remains around the issue of the definition of a “joint influence” and this might provide market participants with a significant amount of flexibility around disclosing market sensitive information.

I hope you find these responses useful, if you would like to discuss any of the points we have raised further, please contact me.

Yours sincerely

David Forbes
Compliance and Research Officer