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Dear Graham

Wholesale power market liquidity: statutory consultation on the 'Secure and Promote' licence condition

About Opus Energy

Opus Energy is an independent supplier of gas and electricity which was founded in 2002. We now supply more than 160,000 business locations across the UK and have over 500 employees based within our Northampton and Oxford offices. We also purchase power from over 750 small generators which is supplied to our customers. Opus Energy was ranked as the highest-rated provider for small and medium energy users in Datamonitor's 2012 B2B Customer Satisfaction Survey published in March 2013.

Response

Please find below the response from Opus Energy for the above consultation.

Question 1: Do you consider that the proposed licence modifications appropriately reflect the policy proposals as described in this chapter?

Yes. We consider that the requirements are proportionate, fair and pragmatic. We believe that the SMA rules are likely to facilitate trading between independent suppliers and obligated parties, and we are hopeful that the Market Maker obligation will promote liquidity.

We would suggest one amendment in relation to the SMA rules. The modifications allow for a range of credit option to be offered to the Eligible Supplier. Some of these options may include the obligated licensee affording the Eligible Supplier credit over and above what it is afforded under a standard assessment in return for a £/Mwh fee. We would recommend clarifying in the drafting of the obligation and guidance notes that this practice is allowed. Otherwise where there are trading arrangements between obligated licensees and Eligible Suppliers which already include these mechanisms, the obligated party might be thrown into immediate breach of their licence.

Please do not hesitate to contact me if you have any queries on the response.

Yours sincerely,

Gemma Trembecki
Regulations Manager