

Modification proposal:	<b>Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0059 – Issues and Modification Process</b>		
Decision:	The Authority <sup>1</sup> has decided to consent to this proposal		
Target audience:	Green Deal Oversight and Registration Body (GDORB), GDAA Panel, Parties to the GDAA and other interested parties		
Date of publication:	14 May 2014	Implementation Date:	26 June 2014

## Background to the modification proposal<sup>2</sup>

At the request of the GDAA Panel, Gemserv<sup>3</sup> carried out a review of the current drafting of the GDAA.<sup>4</sup> A number of potential amendments were identified which would provide additional clarity regarding the processes for making changes to the GDAA and any Operational Procedures issued pursuant to it.

## The modification proposal

CP 0059 was raised by SSE ('the proposer'). It seeks to improve clarity in the GDAA change processes, for example by introducing a clear distinction between a Change Proposal (a 'notice' from a GDAA party suggesting a modification to the GDAA, or amendment/variation of 'Operational Procedures'<sup>5</sup>) and a Modification (an amendment/variation to the GDAA). The proposer considers this will provide clearer governance in relation to the development and implementation of changes. Other revisions proposed aim to better reflect the adopted custom and practice in the change processes.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent to CP 0059 is required as it seeks to amend Part 2 of the GDAA.<sup>6</sup>

## GDAA Panel<sup>7</sup> recommendation

At its meeting on 28 March 2014, the GDAA Panel agreed to approve CP 0059 following some minor modifications.

## The Authority's decision

We have considered the responses to the proposal, which was issued by the GDAA Panel for Impact Assessment, and the decision of the GDAA Panel. We have concluded that the implementation of CP 0059 is consistent with the objective of the GDAA:<sup>8</sup>

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

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

<sup>3</sup> Gemserv is the GDAA panel secretariat / GDORB (Green Deal Oversight and Registration Body): <http://qdorb.decc.gov.uk/>

<sup>4</sup> A copy of the GDAA can be found here: <http://qdorb.decc.gov.uk/gdaa>

<sup>5</sup> Meaning those procedures agreed and issued by the Panel under Clause 7 of the GDAA

<sup>6</sup> Changes to Part 2 of the GDAA (comprising Clauses 5 to 8), or any change to a definition in Clause 1.1 that may materially affect the provisions of Part 2, require Authority consent.

<sup>7</sup> Established pursuant to Section 5 of the GDAA.

<sup>8</sup> 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 note that eight out of the nine respondents supported the changes proposed while one respondent remained neutral. We consider that the implementation of CP 0059 will contribute to the effective implementation of the GDAA by adding clarity to certain terms within the change process as well as clarifying certain parts of the process itself.

Pursuant to paragraph 7.1.2 of the GDAA, we consent to CP 0059 being made.

**Lesley Nugent**  
**Head of Industry Codes and Licensing**

Signed on behalf of the Authority and authorised for that purpose