

Modification proposal:	Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0062 – Change date for commencement of self-funding		
Decision:	The Authority ¹ 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:	6 June 2014	Implementation Date:	To be determined by GDORB

Background to the modification proposal²

The current drafting of the GDAA provides for the GDAA Panel³ to recover its costs from GDAA parties with effect from 15 June 2014. The Secretary of State has agreed to extend the funding of the GDAA to 31 December 2014 meaning that the Panel no longer needs to recover costs from GDAA parties until the calendar year commencing 1 January 2015.

The modification proposal

CP 0062 was raised by InstaGroup Ltd as an urgent modification. It seeks to amend a number of sub-clauses in Clause 6 in the GDAA.⁴ These changes reflect the funding extension date agreed by the Secretary of State and moves the date when the Panel will begin to recover costs from parties to 1 January 2015.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent to CP 0062 is required as it seeks to amend Part 2 of the GDAA.⁵

GDAA Panel recommendation

The GDAA Panel agreed that CP 0062 was an urgent modification and issued it for an Impact Assessment for a reduced period of time allowing five working days for responses. At its meeting on 23 April 2014, the GDAA Panel agreed to approve CP 0062.

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 0062 is consistent with the objective of the GDAA:⁶

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

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 Established pursuant to Section 5 of the GDAA.

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

⁵ 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.

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.

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 all six respondents supported the changes proposed. We consider that the implementation of CP 0062 will contribute to the effective implementation of the GDAA by aligning it with the new date agreed by the Secretary of State for the commencement of self-funding.

Pursuant to paragraph 7.1.2 of the GDAA, we consent to CP 0062 being made.

Lesley Nugent

Head of Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose