

Modification proposal:	Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0072 – Amended Invoice Date		
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 January 2015	Implementation date:	Immediately once both Authority and Secretary of State consent given

Background

The Secretary of State currently funds the GDAA.² The GDAA cost recovery provisions were recently modified as a result of GDAA CP 0060³ to provide for self-funding by all GDAA parties through a mix of both fixed and variable charges, commencing 1 January 2015.

The Secretary of State has subsequently agreed to extend its funding for the GDAA from 31 December 2014 to 31 March 2015.

The modification proposal⁴

CP 0072 was raised by GDFC Assists Limited. It proposes to amend the date on which the GDAA self-funding provisions come into effect. This new date being 1 April 2015.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent to CP 0072 is required as it seeks to amend Part 2 of the GDAA.⁵

GDAA Panel recommendation

At its meeting on 8 December 2014, the GDAA Panel agreed to approve CP 0072.

Our 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 0072 is consistent with the objective of the GDAA:⁶

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² A copy of the GDAA can be found here: <http://gdorb.decc.gov.uk/gdaa>

³ <https://www.ofgem.gov.uk/publications-and-updates/green-deal-arrangements-agreement-gdaa-cp0060-amended-gdaa-cost-recovery-process>

⁴ The terms 'modification' and 'modification proposal' have the same meaning as 'change' and 'change proposal' for the purposes of this document.

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.

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 our decision

We consider that the implementation of CP 0072 will contribute to an effective mechanism for the Green Deal by correctly reflecting the date that the government proposes to cease funding these arrangements. This will ensure that the self-funding provisions will take effect at the correct time.

Pursuant to paragraph 7.1.2 of the GDAA, we consent to CP 0072 being made.

Lesley Nugent

Head of Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose