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Dear CCL and REGO Team,

Open letter on proposed changes to the recognition process for EU Guarantees of Origin (GoO) for GB Fuel Mix Disclosure (FMD).

Thank you for the opportunity to respond to this open letter. Overall, E.ON agrees that the current process for recognising EU Guarantees of Origin (GoOs) for GB Fuel Mix Disclosure (FMD) should be standardised and streamlined. We believe there are a number of additional elements Ofgem should consider and have outlined these below.

Early Recognition of GoOs

Ofgem's proposed process is likely to result in a significant number of applications at the end of the FMD disclosure period. Although the process may be more streamlined, we are concerned that a significant number of GoOs submitted at this late stage, which may by this point be a long way down the chain from the initial generator, will present unnecessary operational challenges for both Ofgem and suppliers.

We believe Ofgem should consider adopting a two stage process whereby GoOs are submitted to Ofgem as soon as their associated LECs are issued using the templates Ofgem has published as part of this open letter. The GoO can then be provisionally recognised by Ofgem, with any necessary clarification sought directly from the original generator. The GoO then becomes formally recognised for FMD when a supplier confirms to Ofgem that the associated LEC has been redeemed. This process would ensure the majority of the administration is completed early in the process, making the final confirmation when the LEC is redeemed much more straightforward.

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Schedule for recognition of GoOs

Should Ofgem decide to adopt a process similar to that outlined above it may be helpful to set out expected timescales for each element of the process. This could be aligned to the timescales for the claiming of LECs that already exist: for example, producers request pre-recognition of the GoO by the end of the third month after the month of generation, once the LEC has been issued, with the GoO provisionally recognised by the end of the following month.

Format for submitting requests

We understand why Ofgem has decided to use a spreadsheet-based submission form. However, using a spreadsheet does increase the risk of user error. It also makes it more difficult to track a GoO through the supply chain. We believe a more sophisticated IT system would be more effective and is likely to reduce costs in the long run by reducing the risk of user error.

I hope the comments above prove helpful. Please contact me in the first instance should you have any questions.

Yours faithfully,

Steve Davies Energy Policy Development Manager