

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

On 26 February 2015, we published a draft process guidance document entitled: 'Guidance for Organisations Requesting Recognition of EU Guarantees of Origin (GoOs) for use in GB Fuel Mix Disclosure (FMD)' for consultation. The purpose was to seek stakeholders' views on our proposed new process. The consultation period closed on 25 March. We reviewed all responses and, where appropriate, have updated the guidance document accordingly. The final version of the guidance document is published alongside this consultation response document.

The consultation period

During the consultation period we hosted two stakeholder engagement events. On 9 March, we held a workshop on the proposed new process with GB electricity suppliers. On 11 March, we held a webinar with overseas agents on the proposed new process.

We would like to thank all stakeholders who provided feedback through those stakeholder engagement events. We received eight consultation responses on the draft guidance. These are published alongside this document. Overall the feedback was positive. We have summarised the consultation responses below and provided a response in each case.

Summary of responses

1. Some respondents commented on the deadlines for redeeming renewable Levy Exemption Certificates (LECs) being different from the guidance for GB FMD (1 July) and Feed In Tariffs (1 August). Some respondents felt the 1 July deadline was not compatible with the timeframes required, especially for March LECs.

Our response:

FMD involves a snapshot of Renewable Energy Guarantees of Origin (REGOs) and recognised EU GoOs on 1 July each year for the previous financial year. Since the FMD legislation¹ (incorporated into the electricity supply standard licence conditions²) requires "evidence of supply in Great Britain of the electricity referred to in the guarantee of origin", we check that the associated LECs are retired/redeemed. This deadline is driven by the FMD legislation which we must adhere to. We appreciate the tight timeframes for redeeming March LECs by 1 July, however we consider it is possible to achieve. The new process will help by spreading the workload of GoO requests for the other 11 months output periods throughout the year.

2. Some respondents commented on commercial concerns about sharing information relating to the previous holder of the GoO.

Our response:

The 'previous holder' column will not be included in the final published spreadsheet of all EU GoOs recognised for the annual disclosure period on our website. Market participants will have the option of locking some of the cells in the cancellation statement (the cells relating to the previous holder of the GoO), as long as that information remains accessible to Ofgem. Please see the updated guidance for more information on this point.

¹ http://www.legislation.gov.uk/ukxi/2005/391/pdfs/ukxi_20050391_en.pdf

² <https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions>

3. Some respondents requested more flexibility on GoO cancellation statements regarding naming conventions and Excel/PDF formatting.

Our response:

The naming convention has been set up to standardise this part of the process as much as possible, and help all stakeholders navigate the high volume of cancellation statements. Most counterparties should be able to provide Excel versions of the PDF files, although we do appreciate that some may not be able to. Please let us know if you need more information on these points.

4. Some respondents felt that a spreadsheet based approach is acceptable in the short term, but that an IT solution should be developed for this process for the long term.

Our response:

We will review how the process works with the spreadsheet based approach in practice in the short term and then decide how to proceed in the longer term. If we decide to develop an IT solution in the future, we will update the guidance document accordingly and inform stakeholders

5. Some respondents felt the proposed process is likely to result in a significant number of requests at the end of the FMD disclosure period which could present operational challenges for both Ofgem and GB electricity suppliers.

Our response:

We appreciate these comments and we hope the new process will help smooth out the periodic spike. We encourage GB electricity suppliers to submit GoO requests throughout the year, as electricity is sold to customers, in order to spread the workload.

Summary of changes to the guidance document and template spreadsheets

Where stakeholder feedback has led to changes to the guidance document or template spreadsheets, this has been listed below along with the section number.

Guidance for Organisations Requesting Recognition of EU Guarantees of Origin (GoOs) for use in GB Fuel Mix Disclosure (FMD)

2.5 – These templates will be available on our website and we will regularly update the information on the “Ofgem Register Names” tab.

2.15. Information on the previous holder of a GoO will not be published in the spreadsheet of all EU GoOs recognised for FMD. Market participants may wish to black out relevant confidential text on the previous holder in an Excel version of a GoO cancellation statement. The file can then be password-protected. Market participants should only use one password for all their cancellation statements. This password must be shared with Ofgem and LCCC to allow viewing of the information. Please note previous holder information is the only information that can appear like this. Please liaise with Ofgem if you require more clarity on this point.

“EU GoOs Template” Excel spreadsheet

Column AZ for requesting organisation comments has been added to tab “Supplier INPUT DATA”.

Issuing body names added to the “Ofgem Register Names” tab.