

Modification proposal:	Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0075 GDAA Housekeeping Amendments		
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:	9 July 2015	Implementation date:	Immediately, once both Authority and Secretary of State consent given

Background

Several minor housekeeping amendments to GDAA² were identified by the GDAA Panel Secretary. These were discussed by the GDAA Panel Technical Sub-Committee who agreed to carry these forward within a single Change Proposal. Some elements of the Change Proposal require the consent of the Authority and the Secretary of State, while others only require the Secretary of State's consent.

The modification proposal³

CP 0075 was raised by Solarwise Renewables. It proposes a number of minor amendments. CP 0075 proposes that a reference to the definition of 'Defaulting Party' is inserted into Clause 1.1 and responsibility for managing elements of the GDAA election process in Clause 5.5.7 is placed on the GDAA Panel Secretary rather than the GDAA Panel.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent (and the Secretary of State's) is required in respect of the proposed amendments to Clause 1.1 and Clause 5.5.7 of the GDAA.⁴

The proposal also corrects an error in Clause 20.4.2 affecting time limits for convening an Event of Default meeting and makes textual clarifications in the deed in Schedule 2 of the GDAA that Proposed New Parties sign to accede to the GDAA.

Secretary of State consent (and not the Authority's) is required in respect of the proposed amendments to Clause 20.4.2 and Schedule 2 of the GDAA.

GDAA Panel recommendation

At its meeting on 20 May 2015, the GDAA Panel agreed to approve CP 0075.

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://qdorb.decc.gov.uk/gdaa>

³ The terms 'modification' and 'modification proposal' have the same meaning as 'change' and 'change proposal' for the purposes of this document.

⁴ 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.

Our decision

The GDAA Panel issued CP 0075 for a 15 working day Impact Assessment on 25 March. Five responses were received by the GDAA Panel all of which supported the proposals. We have concluded that the implementation of CP 0075 is consistent with the objective of the GDAA which is to establish an effective mechanism for:⁵

- (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 0075 will contribute to an effective mechanism for the Green Deal by providing further clarity regarding the meaning of 'Defaulting Party' within the Definitions section of the GDAA.

We also consider that by placing responsibility on the GDAA Panel Secretary, as opposed to the GDAA Panel, to request that the Secretary of State determines the process to decide the election of a candidate, and to notify the parties of the procedure, is a practical arrangement to assist the GDAA Panel in exercising its general duties.

We note that CP 0075 contains a collection of housekeeping amendments some of which require the Authority's (and the Secretary of State's) consent while others only require consent of the Secretary of State (and not the Authority). As a matter of good practice, changes that do not require the Authority's consent should not be submitted to the Authority. In exceptional cases, where it may be administratively convenient to bundle proposals together, the Change Report should clearly set out those aspects that require Authority and Secretary of State approval from those that require Secretary of State consent only.

For the purposes of paragraph 7.1.2 of the GDAA, we consent to the parts of CP 0075 that propose amendments to the Authority priority provisions being made. Notwithstanding our consent in respect of those provisions, we note that no Modification shall take effect without the prior written consent of the Secretary of State.

Declan Tomany Associate Partner

Signed on behalf of the Authority and authorised for that purpose

⁵ 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.