

Yasmin Valji
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26 August 2015

Dear Yasmin,

Statutory consultation: Modifying the electricity generation licence of Secure & Promote licensees – market making on the afternoons of the preceding business day to the 25 December and 1 January

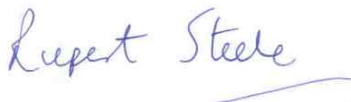
Thank you for the opportunity to provide views on Ofgem's statutory consultation on its proposed amendment to Schedule B of the Secure & Promote (S&P) generation licence condition (Special Condition AA), to remove the obligation to market make on the afternoons of the preceding business day to 25 December and 1 January.

We support the proposed amendment as it represents a pragmatic and proportionate response to clarify the market making obligation in the light of the effective closure of the markets for underlying fuels at these times, and we believe that it is consistent with Ofgem's overall policy intent. We also agree that no Impact Assessment is necessary in relation to this modification.

We do not believe that Ofgem's proposed amendment will result in any frustrated trading requirement from independent suppliers or generators on these two afternoons as historically we have observed minimal, if any, such trading requirements at these times. In any event, our Operational Trading desk (which is staffed 24 hours each day, 365 days each year) will remain open for business and able to submit and respond to short-term trade orders for wholesale GB power on behalf of our diverse generation, renewables and supply businesses on spot exchanges and in day-ahead auctions. It will also be available to respond to bilateral approaches from other parties.

I hope you find these comments useful. Should you wish to discuss any of these points further then please do not hesitate to contact me.

Yours sincerely,



Rupert Steele
Director of Regulation