



EDF TRADING

80 Victoria Street
Cardinal Place, 3rd floor
London SW1E 5JL

T +44 (0)20 7061 4000
F +44 (0)20 7061 5000

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Andrew White
Energy System Integration
Ofgem
9 Millbank, London SW1P 3GE
By email: flexibility@ofgem.gov.uk

Dear Andrew,

We welcome the opportunity to comment on Ofgem's proposed changes to the electricity distribution licence.

EDF Trading Ltd. agrees on the fact that DNOs and IDNOs should not be in the position to operate storage assets and that any distortion or conflict of interest arising from this possibility must be avoided.

EDF Trading favours the legal separation between DNOs and third parties managing and operating storage assets. When the unbundling process results in a legally separate affiliate of a DNO being a storage asset operator, it is important to ensure the separation also takes place at the operational level so to guarantee that no unfair advantage is obtainable by the storage operator. Certainly, it is essential that any DNOs' involvement in storage activity can be monitored to ensure unbundling regime works effectively. With regards to this latter point, we deem it important that DNOs make sure third parties operating storage assets do not have access to any confidential information/data related to the network that is not also available to other market participants so that distortions to competition can be avoided.

With regards to reporting and monitoring, we deem it useful that data related to production (and consumption if any) of storage assets is published regularly, possibly in real time, by asset operators. Furthermore, we consider appropriate that the same provisions currently applied to generation unit in terms of transparency should also apply to storage asset (including REMIT provisions, when applicable).

We consider Ofgem's criteria for considering possible exceptions fairly appropriate for the time being. However, we are concerned that the third criteria related to minimization of possible distortions might prove to be difficult to apply. Particular attention should be granted to assess if appropriate measures and arrangements aimed at avoiding risks of discrimination are effectively put in place by DNOs.

Please do not hesitate to contact me, should you wish to discuss any of these comments further.

Yours sincerely,

Samuele Repetto
Regulatory Advisor

EDF Trading Ltd.

80 Victoria Street, Cardinal Place, SW1E 5JL London

samuele.repetto@edftrading.com

+44 (0)20 70614363

www.edftrading.com

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