

Rachel Clark **Programme Director Switching Programme** Ofaem 10 South Colonnade Canary Wharf London E14 EPU

15<sup>th</sup> November 2018

switchingprogramme@ofgem.gov.uk

## Switching Programme: Regulation and Governance - way forward and statutory consultation on licence modifications- RWE Response

Dear Rachel

RWE welcomes the opportunity to respond to the Ofgem consultation on "Switching Programme: Regulation and Governance - way forward and statutory consultation on licence modifications" published on 15<sup>th</sup> October 2018 (the Consultation Document). We are responding on behalf of RWE Supply and Trading GmbH and RWE Generation plc (RWE). This is a non-confidential response.

Our comments relate to the proposal to modify electricity and gas licences to introduce a Duty to Cooperate with Ofgem and the Authority with respect to the outcome of a Significant Code Review. As we noted in our response to the Consultation document published on 5<sup>th</sup> June 2018 on this subject the proposed amendments to the licence are extremely wide, open ended and arbitrary. Licensees are already obliged to comply fully with approved Code modifications including those initiated as part of an SCR. Consequently we remain of the opinion that further change in RWE Supply & Trading GmbH relation to implementation of the outcome of an SCR is not required at this time.

We welcome Ofgem's proposal to tighten the drafting and amend the draft consultation such that it would only apply in circumstances where the Authority has consulted upon, and given formal notice of, matters being taken forward as part of a SCR. However the proposed drafting introduces broad and wide ranging obligations on licensees. While we can envisage a need to introduce such an obligation in relation to the Switching Programme, we do not believe that the case has been made for such a generic obligation VAT Registration No. to be imposed on parties that are not involved in this programme.

If you have any comments or wish to discuss the issues raised in this letter then please do not hesitate to contact me.

Yours faithfully

By email Bill Reed, Market Development Manager

Swindon Branch Windmill Hill Business Park Whitehill Way Swindon SN5 6PB United Kingdom

T +44(0)1793/87 77 77 F +44(0)1793/89 25 25 I www.rwe.com

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