

Rachel Clark, Programme Director
Programme Director, Switching Programme

Submitted via email to: Rachel.Clark@ofgem.gov.uk

24 July 2019

Ofgem Switching Programme and Retail Code Consolidation: Proposed changes to licences and industry codes– Consultation Response part 1

Dear Rachel,

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership covers over 90% of both UK power generation and the energy supply market for UK homes. We represent the diverse nature of the UK's energy industry – from established FTSE 100 companies, right through to new, growing suppliers and generators, which now make up over half of our membership.

I am writing in response to Questions 1.3, 1.4, 1.5 and 4.3 and 4.4 within the Switching Programme and Retail Code Consolidation consultation due on the 29 July. Energy UK members have highlighted areas where there need for additional information in terms of timelines and have also stated their preferences with regards to the future of MPAS governance. These aspects are summarised below.

REC Manager (reference to questions 1.3,1.4 and 1.5)

Firstly, we request that Ofgem sets out clearer timescales with regards to the set-up of the REC manager, 'summer of 2021' as noted in the consultation is a very vague benchmark and we would welcome further clarity on the timescales for the REC managers implementation. Secondly, we believe it is important that during this process, duplication of effort in all areas involved is avoided.

Future of MPAS Governance (reference to questions 4.3 and 4.4)

Although Energy UK do not hold a strong preference for the future of MPAS governance, Energy UK members feel that the BSC seems like the most appropriate option due to its alignment with UK Link and the settlement process.

In terms of concerns, Energy UK members feel that separate governance by function makes little sense in this situation due to the complexity of requirements needed. However, we do hold the strong view that it is imperative that the future of MPAS governance is clear and rightly supported with the appropriate industry governance frameworks. It is also important that the short-comings of MRA are learnt from and taken into account when considering the future of MPAS governance.

I trust you find the comments useful if you would like to discuss further, please contact me on 02077472932 or iona.penman@energy-uk.org.uk and I will be happy to discuss.

Yours Sincerely,

Iona Penman