

CCL and REGO Team
9 Millbank, London, SW1P 3GE
UK

Skelagervej 1
9000 Aalborg
Denmark
T: +45 99 39 55 00

Aalborg, 07 January 2016

M: info@neasenergy.com
W: www.neasenergy.com

Response to GoO Consultation, from Neas Energy

1)

In “New GoO recognition process Webinar Question and Answer” send out by Kathleen Goldsmith (Kathleen.Goldsmith@ofgem.gov.uk) on 07-12-2015 17:00

The following was written:

Q: What evidence do we need to show for the flow from Nordic region to the interconnectors?

*A: Proof the electricity flowed into Nordpool is fine in this situation as **market coupling within the continent is fine**. Currently, it is only when the electricity is flowing across the interconnector from France for example into the UK that we are looking for evidence of explicit bookings on these interconnectors.*

We believe that it is very important that this answer is incorporated in: *Guidance for Organisations on presenting Guarantees of Origin (GoOs) for use in GB Fuel Mix Disclosure (FMD) and Feed-in Tariff (FIT) annual levelisation.*

The current text in the Guidance (eg. in 2.30. *The contractual chain should provide details of the specific electricity transactions made and should **include clear evidence of sufficient quantities of electricity having been traded from the point of generation to GB.***) could be interpreted as evidence of explicit power flow from the generator in eg. Sweden to the Interconnector in eg. France is needed, which is contrary to the above answer: “*market coupling within the continent is fine*”.

It is important that the auditor can read this information in the Guidance.

2)

In ‘*Consultation on market coupling and Levy Exemption Certificates and call for evidence on wider impacts*’, publish by Ofgem 24 March 2015.

The following is stated on page 8:

2.3. However, the CCL Regulations make it clear that the LEC should ‘represent’ electricity that is consumed in the UK. HMRC guidance³ gives several conditions a utility must meet to be regarded as having acquired renewable source electricity. These include that “a clear audit trail exists,



predominately based on metering, invoices and contracts (although where the quantities of electricity supplied in both directions are equal HMRC recognise that, in practice, nothing may move through the meter⁴)”.

⁴This is in the context of sell and buy back arrangements, but is taken to also apply to the flow of electricity across interconnectors, i.e. even when interconnector capacity is nominated, quantities of electricity that ‘flow’ in both directions may cancel each other out in practice

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It is important that the auditor can read this information (that: ‘flow’ in both directions may cancel each other out in practice) in the Guidance.

Yours Sincerely
Neas Energy

Peter Holm
Manager

M: PHO@neasenergy.com
T: +2680 8230