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DONG Energy Response to the Consultation on proof of UK consumption of overseas electricity

DONG Energy welcomes the opportunity to respond to the consultation on proof of UK consumption of overseas electricity published by Ofgem on 12th January 2016.

Our ref. Ofgem Response - Consumption of Overseas Electricity

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Question 1: Do you agree that the types of evidence we have identified are adequate? Do you foresee any problems with obtaining them, particularly if the power has been exchanged multiple times?

While we recognise there are issues with providing evidence for implicit trades, we think what you have identified is adequate. We do not foresee any problems with obtaining the evidence.

Question 2: Are you aware of other specific types of evidence that they might present for these purposes? If so, what are they? Please be as specific as possible, and explain why you think this specific type of evidence would be adequate.

We are not currently aware of any other evidence. We appreciate that you have historically been open to new forms of evidence as long as they meet your requirements appropriately and would like to see this continue.

Question 3: Are you aware of any issues that may preclude applying the decisions of the consultation on LECs and market coupling to proof of GB supply of overseas electricity under FMD, FIT and CFD as well? If so, please provide details on the issues you foresee.

As we highlighted in our response to a previous consultation on LECs, allowing the import of LECs/GoOs through implicit trading risks flooding the market. Nevertheless, based on your previous decisions on the LECs we think there is a reasonable expectation that you would allow the unconstrained import of GoOs through implicit trades in 2015/16. Our view is that you should only deviate from this position if you have strong evidence that the market will be heavily distorted

and significantly out of line with your previous expectations, such as the volumes that were highlighted in your work with Europe Economics.

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Question 4: Can you foresee any issues that may arise from maintaining the same process for LECs as per the 2008 CCL guidance? If so, please give details.

No.

Question 5: Can you foresee any issues that may arise from maintaining the same process for GoOs as per the GoO recognition process currently being consulted on now implicit trades are permitted? If so, please provide details.

No.

If you have any questions on our response, please feel free to contact me (020 7811 1055, amos@dongenergy.co.uk).

Yours sincerely

Aled Moses
Regulatory Affairs Advisor