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5 March 2015

CCLandREGO@ofgem.gov.uk

## ■ Consultation on proof of UK consumption of overseas electricity: RWE Response

Dear Sir or Madam,

RWE welcomes the opportunity to respond to the Ofgem consultation on proof of UK consumption of overseas electricity. We are responding on behalf of RWE companies operating in the UK.

RWE support Ofgem's conclusion on market coupling and Levy Exemption Certificates (LECs) that both unconstrained implicit and explicit trading may be used to produce proof of UK consumption/supply of overseas renewable electricity.

We believe that the specific evidence can be presented to provide proof of flow under implicit trading including evidence of sale and purchase on a coupled market and matching Guarantees of Origin for a corresponding amount of renewable electricity cancelled for supply to GB.

Our responses to the specific questions are included in Annex 1 to this document.

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

Yours faithfully

*By email*

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Market Development Manager

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## **Annex 1: RWE Response to the Consultation Questions**

**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?**

We agree that the types of evidence identified in the Consultation Document are adequate. We do not foresee any problems with obtaining them, even if the power has been exchanged multiple times. A clear audit trail of relevant transactions can be established to ensure that the power can be tracked.

**Question 2: Are you are 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 aware of additional specific types of evidence that might be presented for the purpose of proof of flow under implicit trading.

**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.**

We are not aware to 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 arrangements.

**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.**

We do not foresee any issues that may arise from maintaining the same process for LECs as per the 2008 CCL guidance.

**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.**

We do not 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.