

15th February 2019

Cathryn Scott
Director, Wholesale Markets & Commercial
The Office of Gas and Electricity Markets
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Canary Wharf,
London, E14 4PU

EUExit@ofgem.gov.uk

Dear Cathryn,

Energy Networks Association Response to ‘Preparing for EU Exit: Statutory consultation on consequential license modifications in the event the UK leaves without a deal’

Please find below the response from Energy Networks Association (ENA) to the above consultation in which Ofgem seeks views on the modifications it proposes to make, to ensure licences are fit for purpose, in the event the UK leaves the EU without a deal.

About ENA and our members

ENA represents the “wires and pipes” transmission and distribution network operators for gas and electricity in the UK and Ireland. This response comes on behalf of our Electricity Networks members who control and maintain the critical national infrastructure that delivers vital services into customers’ homes and businesses. This response is on behalf of our GB electricity networks members.

Response to the proposed modifications

ENA welcomes the opportunity to respond to this consultation. This response is in respect of the draft electricity distribution and transmission licence modifications issued as part of the consultation.

Our members welcome the work undertaken to date by Ofgem, together with networks and the wider industry, to ensure that licences are fit for purpose in the event of a no deal BREXIT.

We note that the proposed modifications are 'technical' in nature and welcome the explicit clarification by Ofgem that the modifications ***'do not seek to change the current obligations and duties of licensees, nor do they seek to change current policy positions.'***

Further, that the stated aim is *'simply to ensure that retained EU law (existing EU law put into UK domestic legislation) and the provisions of the European Union (Withdrawal) Act 2018 work effectively in the event of a 'no deal'.*

As such the changes are limited and Ofgem's approach is to focus on the following:

- Removal of reference to the UK as a member state of the EU, as well as any obligations and roles of EU bodies that will no longer be relevant to the UK;
- Update references to EU law to refer to retained EU law;
- Amend references to the European Economic Area while ensuring the obligations on relevant parties remain the same;
- Remove references where there is no longer a practical application to the UK or to reflect contingency arrangements introduced by UK government.

We have conducted a high level review of the proposed changes and have not identified any unintended consequences or implementation issues that consequently arise at this stage. Were the above changes to be necessary our members would bring to Ofgem's attention any unintended consequences or implementation type issues that might consequently arise. Given the nature of the changes and the thorough review process undertaken already by Ofgem and the wider industry we expect risks from these changes to be minimal.

If you have any questions on the points raised in this response, please contact John Spurgeon, Head of Regulatory Policy email: john.spurgeon@energy-networks.org

Yours sincerely



David Smith
Chief Executive