

Consultation on New Applications Regulations, Application Forms and Guidance Document

Good Afternoon Licensing Team,

Please find below Eelpower Limited's response to the consultation. We are owner-operators of grid connected battery storage assets, have recently gained generation licences on our operational assets and are applying for more licences on our upcoming assets.

Consultation question 1: Do you agree we should extend our enhanced 'fit and proper' assessment questions to all licence application types, not just supply licence applications?

Answer: The enhanced 'fit and proper' questions increase the amount of information required of all named individuals within the application, which can be a significant number of individuals. While this is a smaller increase in work, and no increase in complexity, it requires a more in-depth review of the information available from each director. The more important knock on effect is the increased workload this brings to the Ofgem Licensing team which slows the application process further, increasing the period parties may be subject to charges they could otherwise be exempt from. The question is – who benefits?

Consultation question 2: Do you agree that the proposed questions in section 12 (Namely that the applicant has the appropriate resources for their proposal to enter the market, and understands their regulatory obligations and has appropriate plans in place to meet these) will enable applicants for a gas or electricity supply licence to demonstrate that they meet the new supply licence application criteria?

Answer: We agree that additions in section 12 may be of benefit to the continued stability of the relevant markets, if they could be relied upon over time. Since they can't, we think this administrative request will only introduce a false sense of certainty for Ofgem in their role as licensor. So we do not support.

Consultation question 3: Do you have any other comments on the proposed new regulations/application forms, including the updated tiered process or fees? Or, is there anything we have not included that you believe should be?

Answer: Changing the requirements of Tier 2 to be flexible is a good decision, however the benefit of it will be dependent on the Ofgem licensing team choosing to limit the information request of any Tier 2 applications to just those that are actually necessary. Assuming Tier 2 requests do not become more frequent, and the additional information required is limited to just what is necessary, then the additional flexibility and streamlining of this process will be a significant improvement to this process.

With regards to fees, we agree that the increase to the generation licence is a suitable amount, and are pleased to see that it hasn't been increased as extensively as the other licences. The Generation Licence is a less involved application process, thus the administration price of the application should not be of the same order of the more complex licences and the licence fee should remain lower.

Consultation question 4: Do you have any comments or would you suggest any changes to the section on 'Suitability to hold a licence' (Chapter 3 of the draft guidance)?

Answer: We believe that the 'suitability' section questions should include specific reference to the gas and electricity markets. Regulatory action and company insolvency in unrelated sectors should in almost all instances have no influence on applications as the majority of such things hold no relevance to the business making the application.

Consultation question 5: Do you have any comments or would you suggest any changes to Chapter 4 of the draft licence application guidance, relating to the new criteria and process for supply licence applications?

Answer: We do not have any recommended changes to Chapter 4 and feel it is appropriate guidance for supply licence applications.

Consultation question 6: Do you have any other comments or would you suggest any other changes to any part of the draft guidance?

Answer: As stated previously we are concerned with any increases in the length of time taken by the application process. We therefore hope that the timescale for generation licence applications are left at the 45 day timescale or are reduced and do not suffer an increased timescale alongside that for the supply licence.

Kind Regards,

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