

## Representation - Draft Modification Report UNC 0824 (Urgent)

### Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas)

Responses invited by: **12 noon on 21 September 2022**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

*Please note submission of your representation confirms your consent for publication/circulation.*

<b>Representative:</b>	Sam Hughes
<b>Organisation:</b>	Citizens Advice
<b>Date of Representation:</b>	21/9/22
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	d) Positive e) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

#### Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Citizens Advice supports this modification. The change will ensure that the necessary role is created to enable the CDSP to act as scheme administrator and support the delivery of the Energy Price Guarantee scheme to domestic customers via gas suppliers from the 1<sup>st</sup> October 2022 as intended.

The Energy Price Guarantee will provide much needed financial support to all domestic energy consumers by providing an effective energy price cap of £2,500 for households with average annual consumption for the next 2 years (with the implication that the support ends in October 2024).

We note that, in regard to fulfilling the scheme administrator role, the modification business rules release the CDSP from obligations and liabilities with regard to normal processes, scrutiny and oversight within the UNC.

We note that in doing so there is effectively a transferral of oversight from the UNC to BEIS who will adopt a monitoring and auditing role for the effective management of the scheme. While we recognise that this solution and the scheme have been developed in direct negotiations and at pace it would be preferable that scheme documents were

available alongside this modification so that parties could better understand this transferral.

The modification is positive for relevant objectives (d) and (e) due to the material impact it has in reducing the financial risks of suppliers and therefore the risk of a smaller domestic supply market.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

Implementation should be as soon as possible.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

We note that no costs have been provided by the proposer for the implementation of this modification and the subsequent role played by the CDSP. By contrast, the equivalent modification ([P446](#)) for electricity in the Balancing and Settlement Code (BSC) provides clear costs for Elexon's administrative and operational costs in undertaking the role of Scheme Administrator (circa <£553,000). We cannot therefore give a view on the costs incurred by this modification and ask that costs are provided in the Final Modification Report.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

We have not reviewed the legal text.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

As noted above, the modification does not include costs which we consider an omission.

**Please provide below any additional analysis or information to support your representation**

NA.