

Representation - Draft Modification Report 0569S

Removal of the minimum security requirement from the Energy Balancing Credit Rules

Responses invited by: **11 February 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Graham Jack
Organisation:	British Gas Trading Limited
Date of Representation:	11 February 2016
Support or oppose implementation?	Oppose
Relevant Objective:	d) None

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

We do not support this modification proposal as no evidence has been provided to support the assertion of the Proposer that the current minimum security requirement acts as a barrier to entry for smaller Users. In fact, evidence to the contrary was provided to the workgroup where it was stated that 32 Users currently provide the minimum £10,000 security and this doesn't appear to have been a problem for them. We therefore believe that this proposal, if implemented, will have no impact on relevant objective d).

It should also be noted that the Energy Balancing Credit Committee recently decided to expedite a modification to the cash call limit calculations of the Energy Balancing Credit Rules in response to the Proposer's concerns. This, in our opinion, should be sufficient.

Self-Governance Statement: Please provide your views on the self-governance statement.

Implementation of this modification could remove up to £300,000 of energy balancing credit cover. Although this represents a very small proportion of the total amount it is still, in our view, sufficiently material. We therefore do not support self-governance for this proposal.

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

It would be useful to obtain a view from the Energy Balancing Credit Committee on what would be a suitable lead time for implementation.

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

None identified.

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

Yes.

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.*

None identified.

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