

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:	Gerry Hoggan
Organisation:	Scottish Power
Date of Representation:	11 February 2016
Support or oppose implementation?	Oppose
Relevant Objective:	d) Negative

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

We are aware that the Energy Balancing Committee have been involved in detailed discussions with the proposer and have already amended the Energy Balancing Credit Rules to take appropriate account of the proposer's concerns. We believe that those rule changes are balanced and proportionate in providing the correct safeguards to the market while not imposing unduly onerous requirements on new entrants. To reduce those safeguards further we believe may create a potentially greater risk exposure that may actually be detrimental to the securing of effective competition.

Indeed we do not agree with the assertion that the previous credit provisions represented a significant barrier to entry, as illustrated by the data provided by Xoserve regarding the number of parties who are already subject to and meet those minimum credit requirements.

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

We agree with the Panel's assessment that this modification is not likely to have a material impact on transportation and competition and so meets the self-governance criteria. For that reason we also believe that it will have no material impact on relevant objective d)

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

If approved we see no reason why the change should not be implemented as soon as possible.

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

None

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

We are comfortable that the proposed legal text will deliver the intent of the proposal

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

None