

## Representation - Modification UNC 0726 (Urgent)

### COVID-19 Liquidity Relief Scheme for Shipper

**Responses invited by: 5pm on 12 June 2020**

**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>	Kellie Hather
<b>Organisation:</b>	PFP Energy
<b>Date of Representation:</b>	12 <sup>th</sup> June 2020
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	d) Positive

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

PFP Energy is supportive of this Modification Proposal. The COVID-19 pandemic has had unprecedented impacts to the energy industry. Whilst some suppliers are able to access Government support should this be required, many do not have the same access. The COVID-19 pandemic has adversely affected the cash flow position of a number of suppliers and shippers, impacts that are specifically an outcome of COVID-19, and we are therefore supportive of measures that will provide additional stability across the energy market.

We recognise there are still risks that are borne from the use of this scheme, however we believe the risks are out weighted by the benefits the scheme will bring to the energy market as a whole. It should help to maintain competition and stability for consumers, as well as support with the avoidance of disruption and costs that would otherwise be likely to come from Supplier of Last Resort events.

Whilst many businesses are able to access Government support at effectively zero interest rate\* for 12 months, support through the Liquidity Relief Scheme means those that are struggling the most due to COVID-19 will have to pay default interest rates. This does not feel comparable to other support being provided by the Government and we must not forget COVID-19 is driving what is likely to be the worst economic depression seen for decades. We believe the criteria for the scheme should be stringent enough to limit those that should receive help, rather than trying to deter businesses from accessing the scheme which may make the scheme inaccessible to those most in need of the scheme's support.

\* The Government will make a Payment to cover the first 12 months of interest payments and any lender-levied charges.

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

Implementation should be immediate following a decision from the Authority.

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

We have no impacts and costs to raise as part of our response.

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

The Legal Text meets the intent of the modification.

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

We have not identified any errors or omissions.

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

We have no further comments.