

Report Phase Consultation Responses

P343 'Increase to the number of Supplier IDs that can be held by a Supplier'

This Report Phase Consultation was issued on 14 October 2014, with responses invited by 31 October 2016.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
RWE npower	5/3	Supplier, Supplier Agent
E.ON Energy Solutions	4/0	Supplier
SmartestEnergy	1/0	Supplier
Western Power Distribution	4/0	Distributor

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Question 1: Do you agree with the Panel's initial view that the Proposed Modification better facilitates the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
3	1	0	0

Responses

Respondent	Response	Rationale
RWE npower	Yes	The existing restriction of 3 supplier ID's per licence was implemented due to an arbitrary system restriction dating back to early market development. As the market has evolved this restriction could impede innovative new arrangements being developed. As such, we agree with the Panel that this modification better facilitates competition between suppliers.
E.ON Energy Solutions	Yes	We agree that the proposal provides industry with further flexibility, thus promoting effective competition, per the BSC objective C.
SmartestEnergy	No	<p>In the assessment phase consultation we stated that we believe that this modification has implications for competition and that all suppliers should have the right to the same number of MPIDs. A first-come-first-served approach is discriminatory and the Panel should not be put into a position whereby they are accepting some applications but later rejecting others which may have a greater justification with an innovative business model. We can well imagine a situation whereby a small number of suppliers apply for a large number of MPIDs (which may or may not be actively used in anticipation of a lot of licence-lite activity) and that other suppliers may at a later date find themselves restricted from applying for more than their standard 3 MPIDs. However, an equally significant concern is that the Panel should not be making any judgemental decisions on the merits of any applications; they have no remit to do so.</p> <p>The Report Phase document states: "The Workgroup discussed this response and agreed that P343 will have a positive impact on competition. They believe that, because the SVAA system constraint is already in place, new Market Entrants are penalised even under the current process." This</p>

Respondent	Response	Rationale
		is a glib and fallacious dismissal of the argument; the point is that new Market Entrants will be penalised earlier than would otherwise have been the case (i.e. saturation point would occur earlier) if a disproportionately larger number of MPIDs are allocated to more established players.
Western Power Distribution	Yes	WPD is broadly in support of this proposed change however, we have noted the workgroups reservations in respect current limited capacity of the SVAA systems which could be exceeded as a result of this change proposal. In line with the redlined drafting of BSCP65 we would expect the panel to ensure there will be sufficient capacity to deal with new entrants requiring a new party ID rather than existing entrants using up 100% of the capacity.

Question 2: Do you agree with the Panel that the redlined changes to the BSC and to the CSD deliver the intention of P343?

Summary

Yes	No	Neutral/No Comment	Other
3	0	1	0

Responses

Respondent	Response	Rationale
RWE npower	Yes	N/A
E.ON Energy Solutions	Yes	These are appropriate.
SmartestEnergy	No Comment	
Western Power Distribution	Yes	

Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
3	1	0	0

Responses

Respondent	Response	Rationale
RWE npower	Yes	Suppliers have not expressed a need for this to happen sooner.
E.ON Energy Solutions	Yes	This is sensible.
SmartestEnergy	No	
Western Power Distribution	Yes	

Question 4: Do you agree with the Panel's initial majority view that P343 should be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
3	1	0	0

Responses

Respondent	Response	Rationale
RWE npower	Yes	On implementation it will not have a material effect on the part A of the self-governance criteria.
E.ON Energy Solutions	Yes	We do not consider there are negative impacts on any of the areas for consideration for determining self-governance criteria.
SmartestEnergy	No	
Western Power Distribution	Yes	

Question 5: Do you have any further comments on P343?

Summary

Yes	No
0	4

Responses

Respondent	Response	Rationale
RWE npower	No	
E.ON Energy Solutions	No	
SmartestEnergy	No	
Western Power Distribution	No	