

Change proposal:	Green Deal Arrangements Agreement (GDAA) Change Proposal (CP) 0103: Sunset Clause and data sharing arrangements		
Decision:	The Authority ¹ consents to this change ² being made ³		
Target audience:	Green Deal Oversight and Registration Body (GDORB), GDAA Panel, Parties to the GDAA and other interested parties		
Date of publication:	6 August 2021	Implementation date:	31 August 2021

Background

The Green Deal Arrangements Agreement (GDAA) is a multi-party agreement between electricity suppliers and Green Deal Providers. The GDAA sets out the governance for payment collection and remittance of Green Deal charges.⁴ The arrangements for facilitating the collections and remittances of Green Deal charges are being subsumed into version 2.0 (v2.0) of the Retail Energy Code (REC), due for implementation on the date of Retail Code Consolidation (RCC) (to be designated by the Authority; the date of Retail Code Consolidation is expected to be no earlier than 1 September 2021).

To ensure a smooth transfer of governance to the REC, this requires that GDAA parties cease to be party to the GDAA. To assist this transition, the Retail Energy Code Company (RECCo) have requested the transfer of relevant data assets as defined in an Asset Transfer Agreement between the Secretary of State for Business, Energy and Industrial Strategy (SoS, BEIS) and RECCo.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² Terms "change" and "modification" are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

⁴ There is information about the work of the GDORB and the GDAA on a [dedicated website](#).

The change proposal

CP 0103 (the proposal) was raised by Allium Lending (the proposer) on 18 March 2021, and seeks to implement a closing date to the GDAA, defined by additions to clause 3 of the GDAA, noting that GDAA Parties shall cease to be parties to the GDAA at 11:59 on 31 August 2021. The proposal also amends clauses 1 and 5 in order to authorise the GDAA Panel Secretary and BEIS to facilitate necessary data sharing with RECCo, and inserts Schedule 13 into the GDAA which provides further information on the data that has been requested for this transfer.

This proposal, if implemented, would mean that GDAA parties cease to be party to the GDAA immediately prior to the launch of REC v2.0, and notes that all requirements for delivery of Green Deal collection and remittance arrangements will be satisfied by subsequent governance mechanisms under the REC.

The proposer feels this change is in line with Ofgem's RCC programme, culminating in the implementation of version 2.0 of the REC. The proposal facilitates the smooth transition of GDAA governance arrangements and provides necessary information to ensure that arrangements continue with minimal possible disruption.

In accordance with paragraph 7.1.2 of the GDAA, Authority consent (and that of the Secretary of State) is required in respect of the proposed amendments to Clause 1 and 5 of the GDAA.⁵

GDAA Panel recommendation

At its meeting on 1 July 2021, the GDAA Panel approved this change proposal and agreed to request the Authority and Secretary of State's consent for this change proposal to be implemented.

Secretary of State consent

A representative of the UK Department for Business, Energy and Industrial Strategy (BEIS) has confirmed to us that BEIS has consented to these modifications of the GDAA.

⁵ Changes to Part 2 of the GDAA (comprising Clauses 5 to 8), or any change to a definition in Clause 1.1 that may materially affect the provisions of Part 2, require Authority consent.

Our decision

We have considered the issues raised in the Change Report submitted to us on 13 July 2021. We have also considered and taken into account the response to the Impact Assessment issued by the GDAA Panel. We have concluded that the implementation of CP 0103 is consistent with the objectives of the GDAA⁶ which are to establish an effective mechanism for:

- (a) the collection of Green Deal Charges through electricity bills by Mandatory Green Deal Suppliers and Voluntary Green Deal Suppliers; and
- (b) the remittance of these payments to Green Deal Providers or their nominees, so as to enable the efficient use of energy to be promoted under the Green Deal and to do so in a way which protects the interests of consumers, promotes effective competition between electricity suppliers...and promotes the efficient use of energy.⁷

Further we consider that consenting to this change is consistent with our principal objective and statutory duties.

Reasons for our decision

Ofgem launched the Retail Code Consolidation (RCC) SCR⁸ in 2019, which set out our intention to consolidate Green Deal governance in the REC. We agree with the proposer and the GDAA Panel that this modification facilitates the smooth and efficient transition of those arrangements to the REC, and ensures that the collection and remittance of Green Deal charges continues in an orderly fashion following this transition.

We note that one late response to the Impact Assessment was supportive of the proposal. No other responses were received.

⁶ The objective of the GDAA insofar as relevant to Authority Priority Provisions of the GDAA (as defined in Clause 7 of the GDAA) is set out in Recital E of the GDAA. For the purposes of Authority decisions, this objective is subject to Recital F and the words 'promotes effective competition between Green Deal Providers' are excluded.

⁷ The [Green Deal Arrangements Agreement](#) is available on a dedicated website.

⁸ Ofgem's [Retail Code Consolidation SCR launch statement](#) is available on our website.

Decision notice

For the purposes of paragraph 7.1.2 of the GDAA, we consent to the parts of CP 0103 that propose amendments to the Authority Priority Provisions⁹ being made.

Rachel Clark

Deputy Director – Switching Programme

Signed on behalf of the Authority and authorised for that purpose

⁹ As defined in Clause 7.1.2 of the GDAA.