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**15 February 2019**

Dear Heather,

**Preparing for EU Exit: Statutory consultation on consequential licence modifications in the event the UK leaves the EU without a deal**

Thank you for the opportunity to respond to this consultation. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. This document is entirely non-confidential and may be published on your website.

We note that the proposals do not seek to change the existing policy positions or the obligations and duties currently set out in the licences. The proposals are largely focused on clarifying existing definitions and on removing cross-references to EU legislation and EU bodies that will no longer be relevant. We welcome these clarifications.

We consider, however, that the consumer impacts of these technical adjustments should also be assessed in the context of the overall legal framework for the UK's withdrawal from the EU. For example, we welcome the reassignment to the Authority of the European Commission functions that continue to underpin GB markets<sup>1</sup>. But where actions are likely to maintain alignment with our European neighbours, we ask that GB stakeholder engagement is structured to ensure that these insights are fed into the initial policy design as early as possible.

A holistic approach is particularly important for policies with direct consumer impact, such as the management of smart meter data<sup>2</sup> as well as the thresholds for industrial emissions<sup>3</sup>.

We understand<sup>4</sup> that continued energy data flows, to and from the UK, can be facilitated by the application of EU model data protection clauses in corporate

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<sup>1</sup> E.g. the provision of guidance on keeping relevant data for transactions in electricity and gas derivatives in Annex 3 (Electricity supply licence - [https://www.ofgem.gov.uk/system/files/docs/2019/01/annex\\_3\\_electricity\\_supply\\_0.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/01/annex_3_electricity_supply_0.pdf)) and Annex 7 (Gas supply licence - [https://www.ofgem.gov.uk/system/files/docs/2019/01/annex\\_7\\_gas\\_supply.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/01/annex_7_gas_supply.pdf))

<sup>2</sup> Annex 5 (smart meter communication licence - [https://www.ofgem.gov.uk/system/files/docs/2019/01/annex\\_5\\_smart\\_meter\\_communication\\_licence.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/01/annex_5_smart_meter_communication_licence.pdf))

<sup>3</sup> Annex 8 (Gas transporter licence - [https://www.ofgem.gov.uk/system/files/docs/2019/01/annex\\_8\\_gas\\_transporter\\_licence.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/01/annex_8_gas_transporter_licence.pdf))

<sup>4</sup> <https://www.gov.uk/government/publications/data-protection-if-theres-no-brexit-deal/data-protection-if-theres-no-brexit-deal>

contracts, EU derogations, as well as the formal recognition by the European Commission that UK laws offer an adequate level of protection (although little time remains to ensure compliance with these options). However, after the UK's withdrawal from the EU, it is less clear what approach would be taken in Great Britain for data held outside the UK by companies registered in the European Economic area<sup>5</sup>, if there is a subsequent divergence in access rules. The framework for access to smart meter data is still under development in the EU<sup>6</sup> as well as the UK.

We welcome, in Part C of the National Grid Gas's transporter licence, the clarification of UK legislation that should form the basis for calculating the costs of meeting standards previously imposed by the EU industrial emissions legislation. Similarly, we support the alignment with the Government's proposal to introduce a carbon tax whilst the future approach to the emissions trading system is resolved. However, both these modifications are only temporary solutions to the changes resulting from the UK's exit from the European Union. We therefore look forward to working with Ofgem and other stakeholders to ensure that high emissions standards are maintained after Brexit and that climate change solutions are affordable for consumers.

If you would like to discuss any matter raised in more detail, please do not hesitate to get in contact.

Yours sincerely

Heidi Ranscombe

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<sup>5</sup> Section 8.4 of the smart meter communication licence - see footnote 2

<sup>6</sup> E.g. the recently agreed EU Clean Energy Package extends the range of topics that may potentially be covered by network codes and assigns a role to the Commission to guide the development of data access and management rules