

## **EP UK Investments Response to Consultation on Generator Financial Performance Reporting Framework**

EP UK Investments (EPUKI) welcomes the opportunity to respond to this consultation paper.

- 1. In addition to the broader transparency benefits, are there any other benefits that stakeholders associate with the GFPR publication each year?**

EPUKI does not recognise any other benefits at this time.

- 2. The most recent version of GFPR template used for data gathering from generators is included in Appendix A. Do the stakeholders have any suggestions for enhancing the data gathering process for GFP report? This can include any views on the inclusion of additional revenue and cost elements or deduction of any revenue and cost elements of generation companies currently included in the GFPR template.**

EPUKI has no suggestions for data enhancement at this time.

- 3. The RAs are of the view that GFP Reports should have a focus on revenues earned by the generators through various revenue streams available in the SEM and operating costs of the generators. This is to avoid any distortions to the figures due to commodity and power hedges as well as derivative valuation movements included by the generators in the profits. Do the stakeholders have any view on this?**

EPUKI notes that the current template for GFP Reports contain revenue associated with hedges within the Single Electricity Market (SEM) revenues. It is also noted that the current reporting template includes data on fuel costs. This information should be sufficient in order to derive the financial outcome of Participants who engage in hedging and avoid any distortion of figures as a result of changing commodity prices and hedge values.

- 4. According to SEM-12-027, generators with a combined ownership capacity of more than 25MW operating in the SEM are required to complete the GFPR template. Do the stakeholders have a view on this threshold?**

There may be value in aligning the threshold for GFPR with the de Minimis threshold for SEM participation (i.e., 10MW). This would include a larger number of market participants and give a more complete representation of market performance in the SEM. EPUKI acknowledges the need to avoid material administrative burden for smaller participants, however it is important that GFPR provides accurate information to stakeholders. It is recommended that a streamlined reporting template could be applied to generators below the existing threshold of 25MW but greater than 10MW in order to avoid placing an unnecessary burden on smaller participants.

- 5. Are there any type of market participants that are currently not covered by the GFPR framework that should be included in future in your view?**

EPUKI supports an extension to the GFPR to include all Participants who have a capacity greater than the relevant threshold. Specifically, this should apply to Interconnectors, Demand Side Units (DSUs), and assetless traders. In recent years these technologies have had a greater presence in the market as part of the energy transition. This trend is expected to continue and likely accelerate with the addition of Greenlink and Celtic Interconnectors. Similarly, the publication of the National Energy Demand Strategy by the Commission for Regulation of Utilities indicates that the delivery and participation of DSUs in the market will also accelerate. These technologies, and any other new

technologies, which exceed the thresholds should be included in GFPR in order to provide a more realistic and comprehensive overview of the SEM.

**6. Any other general comments on the GFPR process and template?**

EPUKI has no additional comments at this time.