

Thank you for the opportunity to respond to this consultation. You will be aware that EIUG represents the energy-intensive trade sectors and consumer organisations accounting for a substantial proportion of UK industrial electricity consumption, and that a number of our members have also written to you individually on this subject.

EIUG members have strong reservations about a move to charging for zonal losses as envisaged by P82. Such a move would produce windfall winners and losers but, in our opinion, no overall benefit to consumers. We were critical of Ofgem's original proposals on this subject, specifically drawing attention to the lack of a cost-benefit analysis justifying the change. Furthermore, we do not believe there is any evidence that industrial consumers would locate - still less re-locate - in response to so-called 'signals' in the form of charges for zonal losses. We do not therefore support the introduction of P82 in England and Wales, let alone its extension to Scotland. We have yet to be made aware of a convincing reason why such an extension is necessary or expedient for the purposes of implementing BETTA.

Regarding the context in which this consultation is taking place, namely the 'BETTA' project to extend NETA reforms to the Scottish market, we are happy to record that EIUG fully supports the government's objectives. We look forward to consumers on both sides of the border benefiting from a more competitive and efficient common market. We trust that this much-needed reform is delivered according to the originally envisaged timetable, without unnecessarily delay, for example by becoming tied to the passage of other, potentially more complex and controversial legislation.