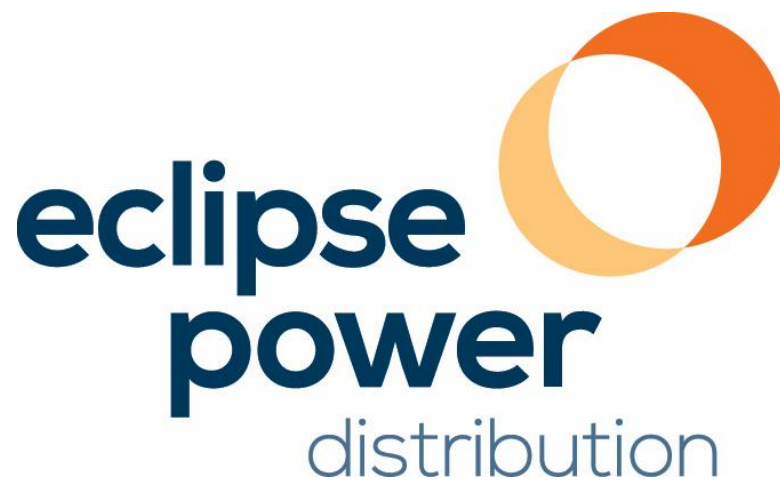


# **EPD Compliance Statement**

Eclipse Power Distribution



# Eclipse Power Distribution

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Update to document including logo, company name and address, and text due to acquisition by Eclipse Power Ltd				

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16/03/2017	0.0	Original draft	M Bacon		
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01/12/2025	3.1	Update document inc logo, name and address changes, and text updates	S Owen		S Dawson

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## Introduction

This Statement of Compliance (the “Statement”) is prepared pursuant to licence condition 31B of the electricity distribution licence (the “Licence”) for Eclipse Power Distribution Limited (EPDL). The purpose of this Statement is to set out the practices, procedures and systems put in place by EPDL, to ensure compliance with Standard Licence Condition 31B of the Electricity Distribution Licence (Independence of the Distribution Business and restricted use of Confidential Information) where the licensee is not a Distribution Service Provider but is part of a Vertically Integrated undertaking.

EPDL is wholly owned by Sky Networks Holdings Company, a HoldCo 100% owned by Octopus Renewables Infrastructure SCSp (“Fund Partnership”). The Fund Partnership is managed by Octopus Renewables Limited (ORL) via a General Partnership Agreement.

Following a group reorganisation OE HoldCo Limited has been identified as the Ultimate Controller of EPDL, being the Holding Company of the licensee that is itself not a Subsidiary of another company and which is a position to control, or exercise significant influence over, the policy of the licensee by virtue of rights of ownership.

To ensure EPDL’s managerial and operational independence from ORL’s generation activities, ORL will maintain a Holding Company; Sky Networks Holding Limited (HoldCo), structure whereby:

- HoldCo, where non-conflicted directors (i.e., who are not also directors of generation or supply businesses) appointed by ORL would sit, would have a high-level / strategic oversight of EPDL through standard shareholders’ reserved matters designed to protect ORL’s investment; and
- day-to-day activities and management of EPDL’s distribution network would be decided by EPDL itself, whose directors will also not be directors of ORL’s generation business, or the wider Octopus Group’s owned supply business operated by Octopus Energy Limited.

For the avoidance of doubt, the Octopus Group’s supply activities are already held in entirely separate entities, 100% owned by Octopus Group and therefore these activities are already wholly separate and benefitting from the appropriate managerial and operational independence.

EPDL shall take all reasonable steps to ensure it complies with the terms of this Compliance Statement.

## Contents of this Statement

The Statement is made in accordance with the provisions of Standard Condition 31B of the electricity distribution licence granted to EPDL:

Standard Condition 31B of the electricity distribution licence requires the licensee to have in place a statement setting out the managerial and operational systems that prevent any Relevant Undertaking<sup>1</sup>, including affiliated Distribution Licence Holders, from having access to Confidential Information except and to the extent that such information:

- (a) is made available on an equal basis to any Electricity Supplier, gas supplier, or gas shipper;

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<sup>1</sup> **Relevant Undertaking** means either a Relevant Licence Holder, or a Relevant Exemption Holder

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- (b) is referable to a Customer who at the time to which the information relates was a Customer of the Relevant Undertaking; or
- (c) is of a type that has been confirmed by the Authority in Writing as corporate information.

The Statement sets out the practices, procedures and systems adopted by EPDL to:

- (a) maintain the full managerial and operational independence of the Distribution Business from any Relevant Undertaking;
- (b) maintain the branding of the Distribution Business so that it is fully independent from the branding used by any Relevant Undertaking; and
- (c) manage the transfer of employees from the Distribution Business to any Relevant Undertaking.

## Unbundling Principles

EPDL commits to the following unbundling principles in its GB licenced network operations:

- **Non-discrimination:** ensure that EPDL treats all Octopus Group's licenced supply and generation businesses in the same way as other market participants
- **Steering:** ensure that the EPDL has effective and independent decision-making in relation to its day-to-day operations and what is required in order to secure operation, maintenance and the expansion of the electricity networks
- **Commercially sensitive information:** ensure that commercially sensitive information held by EPDL is not disclosed in a discriminatory manner to any wider Octopus Group's retail or generation businesses.
- **Prohibition against cross-subsidisation:** ensure that EPDL is not paying more or less than its fair share for common Eclipse group services
- **Identifiable branding:** ensure that customers are always aware of whether they are communicating with a regulated Eclipse distribution business, or another arm of Eclipse.

## Strategies for Ensuring Operational Independence

There are a number of ways in which we could ensure operational independence. EPDL has due regard to best practices from within the existing Eclipse Power Group which include, but is not limited to, the following:

### 1. Managerial and operational independence

EPDL is a separate legal entity, having an independent management structure. It is structured in such a way to ensure the independence of its strategic aims, management and performance - in short EPDL operates as an entirely separate business to the ultimate controller.

ORL has the right to appoint directors to the board of EPDL. At the time of the acquisition (1st December 2025), ORL appointed two directors to the EPDL Board – these are the same two

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directors that were appointed to the Eclipse Power Networks Ltd Board following extensive discussions and agreement with Ofgem in 2021/22. The new directors do not hold directorships within any of ORL's generation or supply businesses and are not conflicted as per the distribution licence conditions.

These directors will only have a high-level / strategic oversight of the EPDL business. HoldCo does not influence the commercial decision making of EPDL with respect to day-to-day activities and management of the distribution network, which would be decided by EPDL, whose directors (as above) will also not be conflicted and do not hold directorships of generation or supply businesses within the wider Octopus Group.

ORL has neither the ability nor the intention to integrate EPDL into the rest of the Octopus Group, and instead intends to allow EPDL to operate as a separate business, with EPDL's management running the company's day-to-day business without any influence from ORL, OCL or any other member of the Octopus Group (other than to the extent necessary to safeguard the Partnership's investment as a shareholder). ORL would in any case not be able to integrate EPDL into the rest of the Octopus Group as the Fund Partnership acquired EPDL, rather than ORL.

The above suite of changes preserves the managerial and operational independence required by the distribution licence conditions.

### 2. **Branding of the Licensee**

The Licensee EPDL is a separate and distinct identity from other activities of Octopus Energy Group and is branded as such.

### 3. **Access to Confidential Information**

EPDL is, and will continue to be, managed from separate premises to the rest of the Octopus Group with separate staff and IT systems. In addition, employees of the Octopus Group's generation and supply businesses have no ability to access such systems and servers. EPDL is therefore comfortable that there is no risk of confidential information relating to EPDL's distribution business from being shared with the wider Octopus Group (other than during HoldCo's board meetings, which is addressed below).

With regards to the ring-fencing of prohibited confidential information relating to EPDL's distribution business during the HoldCo's board meetings (given that these would not be attended by directors who are also directors of generation companies in the wider Octopus Group), EPDL will:

- a. ensure that EPDL's Compliance Manager or a member of ORL's internal legal team review the HoldCo board meetings' agendas and draft presentations relating to EPDL's distribution business (and potentially attend the meetings) to ensure that no prohibited confidential information relating to EPDL's distribution business is disclosed to the wider Octopus Group;

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- b. prevent any HoldCo board meeting materials relating to EPDL's distributions business from being shared with the Octopus Group outside of these meetings to the extent such disclosure would involve sharing confidential information that is restricted by the relevant distribution licence;
- c. capture the above in the Compliance Reports required under EPDL's Electricity Distribution Licence, and the Parties' ongoing compliance with the policies would be monitored by the independent Compliance Officer as required by condition 31C of the Distribution Licence.
- d. generally, engage in more detail with Ofgem as part of its ongoing regulatory relationship to ensure that Ofgem is aware of the information that would be reported to the HoldCo and have an opportunity to raise any concerns about whether any of such information should be prohibited from a licence/regulatory perspective.

### 4. Staff transfers

Staff transfers from the Licensee to affiliates or Relevant Undertakings, where the matters in the Statement are of concern, are discussed between the EPDL Board and the Independent Compliance Officer where this is deemed necessary.

### 5. Ensuring compliance with the Statement

EPDL adopts multiple methods for ensuring compliance with the Statement:

- All internal business processes and procedures are easily accessible and subject to regular review.
- The Compliance Officer will provide advice and will conduct regular reviews of business practices.
- The Compliance Officer will conduct an annual review of compliance with the Statement.

The EPDL Board is responsible for compliance with the Statement and, through the Compliance Officer will receive reports on business practices.

### 6. Breach reporting and compliants

The Compliance Officer is responsible for investigating any breaches of either this Statement or the relevant licence conditions pertaining to business separation.

### 7. Preventing cross-subsidisation

Costs for staff employed in 'shared services' (e.g. Communications, HR, Legal, regulation) who advise on different aspects of the Eclipse Group businesses are shared in accordance with the Eclipse Group's recharge and cost sharing model. This ensures that EPDL pays its fair share for shared services whilst still allowing us to deliver the most efficient outfit for our Group businesses and, therefore, lowest prices for consumers.

### 8. Enquiries

Any enquiries in relation to this statement should, in the first instance, be addressed to the Sarah Owen, Director of Regulation via email: [sarah.owen@eclipsepower.co.uk](mailto:sarah.owen@eclipsepower.co.uk).