



**E.ON Response: Policy cost allowance methodology' of SLC 28AD to include a Green Gas Levy allowance in the default tariff cap**

We welcome the opportunity to respond to this consultation.

E.ON is supportive of Ofgem's proposals to include a Green Gas Levy allowance in the default tariff cap. We agree that it will lead to a systematic cost that we as a supplier will have to bear, and thus we believe it will be a necessary allowance on the basis the draft statutory instrument is approved by parliament.

We are supportive of Ofgem's proposals in how the adjustments will be made to the allowance. Although the adjustment to the methodology will take effect from cap period 8, we are pleased to see that the allowance will also include a retrospective charge for cap period 7. We are equally pleased to see that should BEIS make any adjustments outside of the price cap window, that retrospective adjustments will be made to the cap allowance in the subsequent cap window.

We have one concern however, with how BEIS will envisage the transition happening from a flat rate per meter levy towards a volumetric levy, but we accept that Ofgem will review this once BEIS have set the parameters.