

To: All holders of a gas supply licence

Gas Act 1986

Section 23(2)

Notice of statutory consultation on a proposal to modify the standard licence condition 22B of all Gas Supply Licences

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the standard conditions of all gas supply licences granted or treated as granted under section 7A(1) of the Gas Act 1986, by amending Standard Licence Condition (SLC) 22B (Requirements to make all tariffs available to new and existing customers).
2. Currently the licence condition sets out that the end-date under 22B.5 expires on 31 March 2023. We are proposing modifications to SLC 22B of the Gas Supply Licences to extend this end-date to 31 March 2024, with new powers given to the Authority to review this end-date on an annual basis, as set out in Appendix 1 to this notice.
3. Our proposed modification aims to provide continuity in protection in the short term for consumers and licensed gas suppliers from current energy market volatility, while allowing the flexibility to adapt the protection based on the evolving market situation. A detailed description of the reasons for and the effects of these licence modifications has been published by the Authority in the accompanying consultation, which can be found at:
 - <https://www.ofgem.gov.uk/publications/statutory-consultation-extending-msc-and-bat-beyond-31-march-2023>
 - Alternatively, they are available from Information.rights@ofgem.gov.uk
4. Any representations with respect to the proposed licence modifications must be made on or before Friday 30 December 2022 to: Derek Breslin, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to retailpolicyinterventions@ofgem.gov.uk.
5. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
6. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document

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Retail Market Policy

Duly authorised on behalf of the Gas and Electricity Markets Authority

1 December 2022

Appendix 1 - Proposed modifications to SLC 22B

New text is denoted by double underlining and deletions are shown in strikethrough

Condition SLC 22B. Requirements to make all tariffs available to new and existing customers:

22B.1 Subject to paragraph 22B.2, the licensee must ensure that all its Tariffs are available to, and are capable of being entered into by, both new and existing Domestic Customers.

22B.2 Paragraph 22B.1 does not apply to:

- (a) A Closed Fixed Term Tariff;
- (b) A Collective Switching Tariff;
- (c) A Dead Tariff which complies with standard condition 22D; and
- (d) Tariffs only offered to a particular group of Domestic Customers defined on the basis of criteria specified by the licensee, provided that the criteria do not in any way relate to whether or not the Domestic Customer is a new or existing Domestic Customer.

Exception to compliance with condition 22B

22B.3 The licensee is not required to comply with standard condition 22B to such extent and subject to such conditions as the Authority may from time to time direct.

22B.4 In this condition:

“Collective Switching Tariff” means a Tariff for a Fixed Term Supply Contract which is entered into by a Domestic Customer only as a result of a Collective Switching Scheme.

“Collective Switching Scheme” means a scheme which the licensee is satisfied on the basis of the available evidence has:

- (a) the primary purpose of seeking offers from more than one Gas Supplier for Tariffs, with a view to ensuring that at least one of those offers is likely to result in a bulk number of Domestic Customers transferring to that Tariff; and
- (b) a process which has all of the following characteristics:
 - (i) is organised and operated from time to time by a person that is not the licensee or an Affiliate;
 - (ii) is competitive and transparent, including by:
 1. having participation rules for Gas Suppliers that are clear, well publicised and otherwise available to any interested party at a reasonable period of time before the process begins;
 2. being open to all Gas Suppliers which are able to supply Domestic Customers to participate in;
 3. having participation criteria for Domestic Customers or particular groups of Domestic Customers which are well publicised at a

reasonable period of time before the process begins and clear and easy to understand; and

4. having an outcome which is made clear and which is well publicised;

(iii) a clearly defined start date; and

(iv) a clearly defined end date:

1. by which Domestic Customers which have satisfied the participation criteria and which wish to enter into a new Domestic Supply Contract, must ultimately have entered into a Domestic Supply Contract for a Tariff offered by a participating licensee; and

2. which is not longer than 6 months from the start date.

22B.5 SLC 22B will cease to have effect at 23:59 on ~~30 September 2022~~ 31 March 2024 or such later date, no later than 31 March 2023, as specified by the Authority publishing a statement in Writing unless the Authority specifies (i) the condition will cease to have effect at an earlier date or (ii) a later date, to be 23:59 on 31 March 2025 and thereafter on the anniversary of that date, by publishing a statement in Writing.

22B.6 The power to specify a later date in paragraph 22B.5 may be exercised by the Authority on more than one occasion (up until and including on any later date specified by the Authority)