



TotalEnergies

TotalEnergies Gas & Power Ltd

23/03/23

Louise van Rensburg
Ofgem Head of Non-domestic Retail Policy
10 South Colonnade
London, E14 4PU

Dear Louise,

Call for input on the Non-Domestic gas and electricity market

We thank Ofgem for the opportunity to respond on this important matter for customers and the industry.

We do not recognise as TotalEnergies the suggestions of poor supplier behaviour within the call for input. Many of the perceived wider competitive issues outlined with the non-domestic market relate to a temporary actions in the sector during the energy crisis as suppliers have sort to manage exposure to the market and avoid exceptional levels of risk or relate to structural changes in the regulated cost structures such as the outcomes of TCR. We continue to believe that mitigating the short-term underlying challenges will increase competition and investment in the sector, something that the approaches outlined in the call for input may negate. It is important to treat the cause not the symptom to ensure a sustainable and fair market for all participants.

In the time from privatisation of the market in the 1990s to covid the non-domestic market operated effectively and with minimal intervention needed by Ofgem. The non-domestic suppliers were able to operate with robust business models as shown by the lack of market exits seen in the domestic market. With wholesale prices now falling it should be an opportunity to be positive about the future of the market.

Over the last 24 months we have seen a number of non-domestic suppliers either exit the market or exit segments of the market. These are not failing businesses, but ones that don't see a market they can continue to invest in. Ensuring a stable regulatory framework and a sustainable balance between risk and reward for all market participants is key to the long term sustainability of the non-domestic market.

We continue to remain concerned that knee jerk intervention in the market could have material unintended consequences and longer-term detriment to consumers.

Yours sincerely

Andy Jones
Regulation Manager
TotalEnergies Gas and Power