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Dear Melissa

Ending the temporary Last Resort Supply Payment claim process

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewable generation, including onshore, offshore wind and solar generation, and energy storage. We have around six million electricity and gas customer accounts, including residential and business users. EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

EDF welcome the opportunity to provide comments on Ofgem's letter that sets out two proposals relating to the claims of Supplier of Last Resort (SoLRs) for Last Resort Supply Payments (LRSPs) moving forward.

Proposal 1: Ending the Temporary Multiple Claims Process

EDF welcomed the introduction of the temporary multiple claims process which met the objective of reducing the time taken to submit claims, and decide on those claims, so that SoLRs could start recovering the cost incurred of being a SoLR more quickly.

We also agree that that market conditions have stabilised to the extent that the temporary multiple stage claims process is no longer required in all instances. Changes to the market since 2021 mean that any incoming SoLR would not necessarily incur losses on purchasing energy immediately and may not need to recover costs as rapidly through LRSPs in most cases.

However, we would note that there could be circumstances where more competitive SoLR bids could be achieved should suppliers be able to start recovering the cost incurred of being a SoLR more quickly. A multiple claims process should, therefore, still be allowed in certain circumstances such as where a medium to large sized supplier went insolvent and supporting the number of impacted customers would have a material impact on the winning supplier's cash reserves or the like. This would

be in the wider interests of the market and potentially reduce the costs of the process on customers overall (if it resulted in more competitive bids).

We would, therefore, recommend that a question is added to the Request for Information that Ofgem send to suppliers at the time of a SoLR, requesting views on what would be the most efficient claims process and the reasons for this.

Proposal 2: Internal Audit Requirement for LRSP Claims

EDF supports the proposal to require a rigorous internal independent audit to be provided with each LRSP claim submitted for Ofgem's consent.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Steven Eyre or myself. I can confirm that this letter may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Mason", written in a cursive style.

John Mason
Senior Manager (Price Regulation and Market Dynamics)