

Chris McDermott  
10 South Colonnade,  
Canary Wharf,  
London,  
E14 4PU

Email: [Priceprotectionpolicy@ofgem.gov.uk](mailto:Priceprotectionpolicy@ofgem.gov.uk)

Date: 12<sup>th</sup> July 2024

**“Price Cap - Consultation on ASC Bad Debt Costs Allowance Extension” – So  
Energy Response**

Dear Chris,

So Energy is a leading energy supplier providing great value renewable electricity to homes across Great Britain. We supply over 350,000 customers and as one of the last challenger suppliers left in the market and one that is backed by ESB Group’s resources and expertise, So Energy is able to provide a unique view of on the state of competition in today’s energy market.

We find the ASC allowance to be an important feature within the price cap and are pleased that Ofgem will consider making it an enduring feature in the Spring 2025 price cap.

Given that the current allowance ends in September 2024, we think Ofgem’s minded to approach to ‘extend’ the current ASC allowance is sensible and the most appropriate course of action which will result in continued support for customers in the short term.

To ‘review’ the current approach and amend the allowance amount for the sake of 6 months will likely result in minimal benefit – we expect Ofgem would arrive at a similar quantum to what we have at present. This would tie up relevant stakeholders’ finite resources, such as Ofgem, suppliers and charities. We think our efforts would be better spent on other pressing policy areas in support of energy customers. Given this is already a discussion point in the Operating Cost review, we do not support a review of the current approach.

To ‘do nothing’ (and allow the allowance to lapse) would result in customer detriment and further exacerbate the industry debt levels. We also do not support this approach.

If you have any questions, please let me know.

Yours Sincerely,

Joshua Field  
Regulations Analyst