

Steve Kirkwood, Senior Policy Adviser
Market Stakeholder Team, Ofgem
By email only

7 June 2024

Dear Steve,

Given the recent increases in inflation, we recognise the need to reassess the current value of the Guaranteed Standards Payments (GSOPs) and find the proposed methodology and increase to £40 to be appropriate in this instance.

Even though this consultation is solely focused on re-assessing the value of GSOP payments, we believe that given the significant changes in the market since GSOPs were introduced, there is merit in a broader industry discussion about the existing Standards. We think this should include a discussion about: a) whether GSOPs are delivering value to customers; b) whether GSOPs are driving the intended supplier behaviours; c) assessing if GSOPs are still correctly targeted; and d) assessing whether there are viable alternative solutions that can achieve the outcomes outlined in GSOPs. Further, we think our proposed proactive broader review of GSOPs is well aligned with Ofgem's broader objective of '*delivering effective and efficient market incentives and signals*'.¹ Consequently, we would welcome Ofgem revisiting this area of regulation more holistically in the near future.

Please let me know if you would like to discuss further.

Kind regards,
Baiba Delvere
Head of Regulation, Octopus Energy

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¹[Forward Work Programme 2024/25](#)