

5 April 2024

By email: solrlevyteam@ofgem.gov.uk

Response to Ofgem's consultation on SoLR Levy Offset

Dear David

Thank you for the opportunity to respond to this consultation. We agree with the principles driving Ofgem's proposal and have not identified any operational consequences to delivery.

Overall, we support **Ofgem's push to reduce the ultimate costs to billpayers of supplier failure**. Ofgem has a significant role to play in keeping the overall costs of the energy system down and we would like to see it continually using all its resources to do this.

We have no specific comments or concerns with how the deed is drafted and the proposed licence changes.

Looking ahead, **we urge the Ofgem SOLR team to look again at the 6-month SOLR direction period** that Ofgem usually allows costs to be recovered for. Our experience taking on a large number of SOLRs, is that this window is too short to cover all additional and unrecoverable wholesale costs reasonably incurred in particular when the SOLR occurs in the middle of a price cap observation window. We would be happy to discuss this point further with your teams.

Best regards

Alexandra Meagher
Group Head of Regulation