

Ofgem Call for Evidence – Review of the arrangements for electricity ancillary services

Octopus Energy does not have a position on the majority of the questions included in the call for evidence, however, we firmly believe that all assets providing ancillary services should be subject to the same charges otherwise there is a risk to competition, innovation and the growth of mature demand flexibility markets. It is important to create a level playing field between assets delivering ancillary services and removing the costs, charges and levies will be the only way to achieve this.

On an enduring basis, should electricity consumed solely to provide an ancillary service be exposed to the costs, charges and levies that consumption of electricity in general (such as final demand) is exposed to? Please provide details to support your position, such as the magnitude of the impact to your business, and the impacts on competition and energy consumers more widely.

We believe that all assets providing ancillary services should not be subject to final consumption levies, this would then level the playing field between BTM assets, FTM assets and also assets solely for the provision of ancillary services.