

Decision

Updating the licence application guidance

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This decision document concludes our consultation on proposed new licence application guidance. It summarises the consultation responses and introduces the new licence application guidance which will supersede the previous guidance with immediate effect.

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Contents

1.	Introduction	4
	Purpose of the consultation	
	Purpose of this decision	4
2.	Summary of consultation responses	5
	Responses received and our reply	5
3.	Outcome of the consultation	7
	Revisions made to the final guidance	7
	Guidance coming into force	7
	Future amendments	7

1. Introduction

Purpose of the consultation

- On 23 April 2025 we published a <u>consultation on updating the licence</u>
 application guidance proposing to update our <u>previous application guidance</u>.
 We sought stakeholder feedback in a consultation that closed on 22 May 2025.
- 1.2 As part of our consultation, we published both our <u>proposed new application</u> guidance and a <u>summary of proposed changes</u>.
- 1.3 In proposing the updates presented, our aim was to set out our current expectations of licence applicants and to improve clarity. We want to provide applicants with guidance that enables them to understand our processes and help them to complete good quality applications.
- 1.4 In our consultation document we stated that the proposed guidance would take effect as soon as we published our decision.

Purpose of this decision

- 1.5 This document summarises the consultation responses we received in section 2 and provides our response to each of these.
- 1.6 Our final proposed guidance accompanies this decision and incorporates further changes made to reflect the feedback received or as otherwise required. These further changes are set out in Section 3.
- 1.7 The guidance that accompanies this decision is introduced with immediate effect and will apply to existing and new applications.

2. Summary of consultation responses

Responses received and our reply

- 1.8 E.on was the sole respondent to the consultation but made several observations regarding the proposed application guidance and our application processes more generally.
- 1.9 We set out each of these and our response below:
 - Named point of contact: Contact with Ofgem regarding an application is made via a general mailbox with an auto-response and processes could be improved by providing a named point of contact.
 - **Our response**: Applications received by Ofgem are assigned to a case officer who manages them through to completion. Applicants who seek a named point of contact are encouraged to correspond with the case officer who contacts them about their application. We will make this clearer at the outset.
 - I. Notification of timescales for follow-up enquiries: Requests for additional or outstanding information could be improved by Ofgem providing clarity on the timescales for responding to these requests. There should also be an opportunity for applicants to highlight where proposed timescales may not be sufficient.

Our response: Where we require further information or clarification from an applicant, Ofgem will provide timescales and invite discussion on whether these are appropriate. The proposed new application guidance addresses this point directly at paragraph 4.9:

"When further information is required from an applicant, we will set what we consider to be reasonable timeframes for response and may consult with an applicant if we consider it appropriate to do so. Should there be concerns about the deadline for response, this

should be raised as soon as possible, and before the deadline, with an explanation of these concerns. We will then confirm if the concerns merit a change to the reasonable timeframe provided.

For certainty, we will add the word "clarification" to the first sentence shown above.

II. Outdated references in guidance: An outdated reference to licence conditions was highlighted in the draft guidance to be updated.
Outdated references in guidance: We are grateful to E.on for bringing this oversight to our attention to give us the opportunity to correct it.

3. Outcome of the consultation

Revisions made to the final guidance

- 1.10 As a result of the consultation responses received and our own further review of the content, we have made the following changes which are reflected in the final published guidance.
 - We have removed the named contacts on the front page as these are subject to resource changes over time. The name of the team and the given email address should be sufficient for stakeholders' purposes.
 - For legibility we have shortened the summary of section 1 "licensable activities" to display each of the subsequent tables on a single page.
 - At paragraph 2.20 we have updated the IBAN number for payment of the application fee as this has changed.
 - To paragraph 4.9 we have added "clarification" to address the feedback provided by E.on above at 2.2(iii).

Guidance coming into force

- 1.11 The final new application guidance that accompanies this decision is introduced with immediate effect and applies to existing and new applications.
- 1.12 We consider this acceptable as the reviewed guidance does not alter our methodology, it provides more clarity on our approach and expectations.

Future amendments

1.13 Should it be necessary to make further amendments, the guidance document will be amended as appropriate.

- 1.14 Where it is necessary to do so, we will consult on changes to the guidance.
 However, if it is necessary to make small changes or corrections to reflect
 updates or changes to our application processes we may do so without notice.
- 1.15 At any time, stakeholders will be able to see the latest version of the application guidance on our website and be able to distinguish between versions using the version number (currently version 2.0). All changes made to the guidance will also be demonstrated in the version history currently included as appendix 3.
- 1.16 Should stakeholders wish to make further suggestions for improvements to the guidance or highlight corrections that should be made, these can be reported to us at any time via email to licensing@ofgem.gov.uk.