



Making a positive difference
for energy consumers

Email: consumer.first@ofgem.gov.uk

Date: 20th June 2025

To all interested domestic energy suppliers,

Invitation to participate in Ofgem's split standing charge tariff trial

We are inviting expressions of interest from domestic energy suppliers to collaborate with Ofgem on a trial of a restructured standing charge, referred to as a 'split part standing charge'.

This trial forms a part of Ofgem's longer-term evidence-gathering programme on cost recovery and demand flexibility. It is running in parallel with our shorter-term policy work on low or zero standing charge tariffs, which is not affected by this trial.

The objective of this trial is to explore how domestic consumers respond to a tariff design that introduces a separate element to their standing charge that varies with their electricity usage during peak periods. This approach simulates a capacity-based charge, by linking part of the standing charge to consumption periods that drive network costs.

Participants in the trial will be able to reduce their daily standing charge if they use less energy at peak times.

The aim is to assess whether such a structure can:

- encourage consumers to shift usage away from peak periods
- understand better how consumers respond to standing charge structures
- support more efficient system cost recovery
- provide consumers with greater control over their bills
- support long-term network planning and investment

Trial design

We propose a randomised controlled trial (RCT), with participants randomly assigned to treatment and control groups. We expect that the trial will run for a minimum of nine months, launching by October 2025, to capture seasonal variation in energy use.

Ofgem will lead on trial design and analysis, working closely with suppliers to ensure feasibility and rigour.

This trial will include two key elements:

- **Impact evaluation:** the effects of the intervention on energy usage, bills and cost recovery

The Office of Gas and Electricity Markets

10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000

www.ofgem.gov.uk

- User experience research: how the tariff is received and perceived by trial participants

Participating suppliers will be expected to:

- launch the trial by October 2025, with a 9-month duration to capture seasonal effects over winter
- share half-hourly usage data and other relevant information with Ofgem and its research partners
- provide relevant information and communications to participants included within the trial
- collaborate on trial design, including power analysis, randomisation protocols, and user experience research
- support on qualitative and quantitative research with trial participants
- assign a dedicated project manager and point of contact for regular coordination

Research questions

The trial will aim to answer the following key research questions.

1. Behavioural response – does a ‘split part standing charge’ reduce electricity consumption during peak hours and thereby contribute to a reduction in system costs?
2. Consumer understanding and experience – do consumers find the tariff fair, understandable, and actionable?
3. Bill impacts and distributional effects – how do household bills change under the new structure, and are certain consumer groups disproportionately affected?
4. System cost recovery – can system costs be recovered with a ‘split part standing charge’?

Trial activities

We would expect the trial to be run following Ofgem’s published [guidance on running trials](#).

Running a randomised control trial with energy consumers is likely to involve the following activities:

| Number | Stage | Lead responsibility |
|--------|--|---------------------|
| 1. | Finalising trial design, conducting power analysis ¹ and setting required sample size | Ofgem and Supplier |
| 2. | Conducting comms pre-testing research ² (to be confirmed – dependent on timings) | Ofgem and Supplier |
| 3. | Agreeing elements of the user experience research ³ | Ofgem and Supplier |
| 4. | Conducting randomisation and balance checks | Ofgem and Supplier |
| 5. | Sending out invitations and other informational communications | Supplier |
| 6. | Actioning billing or tariff changes | Supplier |

¹ We expect that trial will require a sample size in the tens or hundreds of thousands. The trial will need to include a large enough sample of customers to reach the required sample size. Where appropriate this will include accounting for proportion of customers who won’t enrol.

² To be discussed and agreed with trial partners

³ For example, this might be forms of pre-testing of communications, qualitative research (e.g. focus groups) or quantitative research (e.g. end line surveys).

| | | |
|-----|---|--------------------|
| 7. | Monitoring and sharing half-hourly (at two junctures – January 2026 and at end-line) and other consumer data with Ofgem | Supplier |
| 8. | Analysing quantitative results (at two junctures – February 2026 and at end-line) | Ofgem |
| 9. | Conducting user experience research | Ofgem and Supplier |
| 10. | Interpreting results | Ofgem and Supplier |
| 11. | Results dissemination and publication | Ofgem and Supplier |

We expect that collaborating suppliers would need to assign a dedicated project manager and point of contact to ensure effective collaboration, with regular meetings.

Support and benefits for participating suppliers

This trial offers suppliers a unique opportunity to pilot a forward-looking tariff innovation with strong consumer appeal — one that rewards behavioural change without exposing customers or suppliers to financial risk. It is a chance to lead the way in shaping the future of fairer, more flexible energy pricing.

Ofgem’s Consumer Insight and Behavioural Science (CIBS) team will lead the trial and provide comprehensive support to help ensure its success. Participating suppliers will benefit from:

- a dedicated Ofgem project manager and project lead to coordinate all aspects of the trial and ensure smooth collaboration
- funding to cover under-recovery of standing charges during the trial period, ensuring financial protection for participating suppliers. The trial will also aim to guarantee a “no-loss” experience for participating consumers — meaning customers will never pay more for their standing charge than they would have under their existing tariff. This allows suppliers to offer a highly attractive proposition: customers can only reduce their standing charge, never increase them
- expert trial design support, including power analysis, randomisation protocols, and robust evaluation frameworks
- behaviourally informed communications and research tools to support customer engagement and understanding
- comprehensive statistical analysis and interpretation of results, led by Ofgem’s experienced behavioural science team
- secure and anonymised data-sharing protocols, to help ensure compliance with data protection standards
- opportunities for collaboration with leading academic partners, providing independent oversight and high-quality evaluation

Indicative timeline

We expect that the trial will go live by 1st October 2025 and run for 9 months (until June 2026). An indicative timeline for other aspects of the trial is as follows

| Milestone | Actor | Deadline (closest working day to) |
|--|--------------------|-----------------------------------|
| Respond to open letter | Supplier | 4 July |
| Bilateral engagement with interested suppliers to confirm interest | Supplier and Ofgem | 4 to 18 July |

| | | |
|---------------------------------|--------------------|-----------------------------|
| Communicate Trial Partners | Ofgem | 21 July |
| Trial Design Period | Supplier and Ofgem | July 2025 to September 2025 |
| Trial Live Period | Supplier and Ofgem | October 2025 to July 2026 |
| Interim Analysis Period | Ofgem | February 2026 to March 2026 |
| Final Analysis Period | Ofgem | July 2026 |
| Insights review and publication | Ofgem | July 2026 to August 2026 |

Submit an expression of interest

To express your interest in participating, please email us at consumer.first@ofgem.gov.uk by Friday 4th July 2025.

Your submission should include:

- your capacity to launch the trial by 1 October 2025 (or your earliest feasible date).
- willingness to include a sufficient base of eligible customers
- any trial features you would be unable to support
- willingness to collaborate under a Memorandum of Understanding (MoU), including sharing required usage data
- willingness to support the User Experience Study, including qualitative and quantitative research with customers
- willingness to work with Ofgem to publish the trial results

If multiple suppliers' express interest, Ofgem may select a subset of participants based on this detail.

Yours faithfully,



Jonathan Brearley
Chief Executive