Consultation

Energy price cap benchmark review

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This consultation sets out a proposed update to price cap assumptions that are used when benchmarking consumption levels. It also raises questions on whether we should go further and change the cap methodology to account for the different consumption levels of different customers. This cover letter will give a general summary, with more specific detail set out in the following parts:

Part A – Change of consumption benchmark used in price cap methodology:

We are consulting on our minded-to position to update the benchmark consumption assumptions used in the price cap with a view to implement these changes in the price cap from January 2025 through a modification under s 1(2) of the Domestic Gas and Electricity (Tariff Cap) Act 2018 ('the Act')[1]. This consultation meets the notification requirements set out at section 4 of the Domestic Gas and Electricity (Tariff Cap) Act 2018.

Part B – Payment method specific approach:

As a separate process, we are also asking for initial feedback on the case for setting different benchmark consumption levels for different payment methods. For the avoidance of doubt, this engagement is seeking initial views to assist in informing and developing a future proposal, though it does not necessarily mean that a proposal will be developed.

[1] Domestic Gas and Electricity (Tariff Cap) Act 2018. https://www.legislation.gov.uk/ukpga/2018/21

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1. Introduction

The price cap methodology requires an input assumption for the amount of energy a typical consumer uses. This is known as the price cap "benchmark consumption". This assumption has remained constant since the introduction of the price cap in 2019. It is currently based on the Typical Domestic Consumption Value (TDCV) that was in place at the time which is now nearly a decade old.

Average energy consumption has fallen since the benchmark was first set, which has been a downward pressure on bills and is likely to continue to be so in the medium term. However, sustained lower consumption has implications for the price cap, and in particular for how we calculate the application of "fixed costs" (costs that do not vary by consumption) on to the unit rate.

This consultation sets out our minded-to proposal to update this assumption with more up to date information in future cap calculations (Part A) and further, seeks to collect views on the case for adapting the cap methodology to account for different levels of consumption that occur for different payment types (Part B).

While this is a single consultation, we note that Part A is a minded-to position which we anticipate making a decision on following this consultation. Part B is at an earlier stage and we would expect to consult on it further and more fully were we minded to pursue it.

Consultation stages

Stage 1 Consultation open: 27 August 2025

Stage 2 Consultation closes 25 September 2025. Deadline for responses by this date. (We will consider an extension to responses for Part B of this consultation only – please contact the inbox above if requesting extension to Part B only)

Stage 3 Decision on Part A of this consultation, published later this year. This may include an update on Part B of this consultation.

Stage 4 Implementation of benchmark consumption update (Part A). Currently proposed for January 2026.

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click ‘Get emails about this page’, enter your email address and click ‘Submit’.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: ‘Open’, ‘Closed (awaiting decision)’, and ‘Closed (with decision)’.

2. Part A: Changing the price cap benchmark consumption

The benchmark consumption level used in the price cap has not been updated since 2019 and is based on outdated consumption data. Average energy use has declined, which affects how fixed costs are recovered through unit rates. This consultation proposes updating the benchmark to reflect the latest Typical Domestic Consumption Values (TDCVs), ensuring the cap remains aligned with current consumption patterns. Three options are considered, with the preferred approach being to adopt the latest TDCV. This change would slightly increase the cap level but improve cost recovery and transparency.

Background

The default tariff cap was introduced on 1 January 2019 to protect domestic customers on standard variable and default tariffs from paying excessive prices. The cap limits the unit rates and standing charges that suppliers can charge, based on an assessment of the efficient costs of supplying energy. A key component of the cap is the benchmark consumption level, which is used to express the cap as an annualised figure for a typical household.

In the 2018 default tariff cap ('the cap') overview decision[2], we set out how the price cap would be set at two levels of consumption:

- Nil consumption: reflecting the cap level for a notional customer with 0kWh of consumption
- Benchmark consumption: reflecting the cap level for a typical customer with a median level of consumption

At the time the cap was implemented, "benchmark consumption" within the cap was set at the 2017 Typical Domestic Consumption Values (TDCVs). These TDCVs were based on data from 2015 due to the lag in reporting of the data. Since the implementation of the cap in 2019, we have made two further revisions to the TDCVs (in 2019 and 2023) to reflect the longer-term trend of falling gas and electricity demand, however we have not updated our "benchmark consumption" in the cap models, which remains based on the 2017 TDCV. This trend is likely driven by a combination of factors, including warmer weather, improvements in energy efficiency, behavioural changes, and more recently, cost of living pressures.

[2] Ofgem (2018), Default tariff cap: decision – overview. https://www.ofgem.gov.uk/decision/default-tariff-cap-decision-overview

Issue

At least some of these trends, including warmer weather and improved energy efficiency are likely to continue into the future. Falling consumption has been a downward pressure on average bills over the last decade. If consumers use less energy than this reduces many costs directly – for example the cost of generating electricity or buying gas. However, there are some "fixed costs" that do not reduce along with lower consumption – for example metering costs are the same regardless of how much energy is used.

Where such "fixed costs" are recovered through fixed charges (i.e. the standing charge) this is not an issue. However, some "fixed costs" are recovered through the unit rate. For these costs, we divide them by the measure of benchmark consumption in order to set the unit rate. This means that when actual consumption falls, the price per unit required to recover those "fixed costs" increases. This is a relatively small element of the bill but means that without updating our estimate of benchmark consumption we risk systemic under-recovery of costs due to a divergence between actual consumption (2023 TDCV) and benchmark consumption (2017 TDCV).

In the Energy price cap operating cost allowances review[3] we signalled that we would review benchmark consumption, as it directly impacts the recovery of costs that were set during that review. That is the purpose of this consultation.

Table 1- TDCV Energy Usage Trends (2017–2023)

	2017 (kWh)	2019 (kWh)	2023 (kWh)
Gas	12,000	12,000	11,500
Electricity: Profile Class 1	3,100	2,900	2,700
Electricity: Profile Class 2	4,200	4,200	3,900

Table 1 shows the development of TDCVs over time (TDCV is generally reviewed every 2 years). These are industry standard values for the annual gas and electricity usage of a typical domestic consumer. They are derived using an established methodology utilising the Department for Energy Security and Net Zero (DESNZ) sub-national consumption statistics. TDCV is based on median consumption. However, the allowances suppliers recover under the price cap will depend on the consumption of their own unique default tariff customer base.

[3] Ofgem (2024), Energy Price Cap: Operating cost allowances review https://consult.ofgem.gov.uk/energy-supply/energy-price-cap-operating-cost-allowances-review/

It is worth noting that for each price cap announcement, we convert the final cap levels to the latest TDCV, however this is purely for purposes of communication which for example better allows consumers to compare tariffs on the market. In our 2018 decision on establishing the price cap, we decided to use TDCV, which is a median value, to set benchmark consumption. As we discuss later on, measuring mean consumption is inherently more uncertain than median for households, given the overlap in datasets with non-domestic properties. We recognised however that as mean consumption was likely above median consumption[4] this would confer some benefit, on average, to suppliers. We took this into account when setting the headroom allowance in the cap – i.e. absent this benefit, we might have considered setting a higher headroom allowance.

There is now emerging evidence to suggest that not only has consumption fallen, but that it has fallen to a level where suppliers would be unable to recover their fixed costs, especially for gas where consumption has fallen the fastest. We apply approximately £85 of supplier's fixed costs to the unit rate, in order not to have higher standing charges. This also reflected market practice at the time the cap was developed.[5]

As part of the previous TDCV review consultation process, we received stakeholder feedback on any proposed changes to the TDCV figures. Some of the feedback raised previously was concerning the use of benchmark within the price cap, highlighting the need for updating the benchmark within the cap, which would mean suppliers being better able to recover operational costs under the cap. While energy use can vary year-to-year, measures of mean consumption have historically remained above median consumption, although both have fallen by a similar amount. It was also suggested that the price cap methodology was not designed to account for the longer-term trend of declining consumption, particularly as the cap was originally designed to be a temporary measure.

In response, and as part of our last TDCV review, we said we would monitor consumption trends over time and that we would consider a review of benchmark consumption. Having monitored consumption trends over time we now consider it appropriate to carry out a review of the current benchmark consumption level within the cap, to better reflect current consumption patterns and ensure the cap continues to meet its statutory objectives. Under the Act, one of the matters we must have regard to is ensuring that holders of supply licences who operate efficiently are able to finance the activities authorised by their licence.

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[4] We estimated at the time that using a median assumption would confer around £8 benefit on average for suppliers, but that this would vary considerably across suppliers based on the consumption of their customers.

[5] Ofgem (2018), Appendix 2 – Cap level analysis and headroom https://www.ofgem.gov.uk/sites/default/files/docs/2018/11/appendix_2_-_cap_level_analysis_and_headroom.pdf

In the rest of this consultation we discuss the options we have considered and set out our minded-to approach, along with how we plan to implement the changes in the cap.

Intended approach

Our minded-to approach is to update the benchmark in line with the latest TDCV[6], as set out in the table below.

Table 2 - Benchmark Consumption

	Current benchmark consumption in the cap (kWh)	Latest TDCV (kWh)
Gas	12,000	11,500
Electricity: Single rate	3,100	2,700
Electricity: Multi rate	4,200	3,900

We consider this to be a technical change to an input used in the cap methodology, in line with the original intent of the benchmark consumption decision, and updating to the most recent assumption. Given the background set out above, we consider TDCV to be the most appropriate source to be used in capping tariffs for the typical consumption of a domestic consumer. Further to this, we propose to update the benchmark consumption in the cap over time, as our view of TDCV changes. The TDCV is reviewed approximately every two years and takes into account the latest DESNZ subnational consumption data.

Considerations

The table below sets out three potential options for updating the benchmark consumption level within the cap. We note, however, that Option 3 would represent a departure from the original intent of the cap methodology and may therefore have wider implications for other elements of the cap framework, including further consideration of whether the existing headroom allowance remains appropriate under this approach.

[6] Ofgem (2023), Decision on Typical Domestic Consumption Values. https://www.ofgem.gov.uk/decision/decision-typical-domestic-consumption-values-2023

Table 3- Benchmark Options

Options	Description	Impact on cap 14b (£/customer/year for Direct Debit, dual fuel)*
Option 1 (Minded to approach)	Use latest Ofgem TDCV as benchmark	+£8.70
Option 2	Use 2023 DESNZ data – Median approach	+£17.10
Option 3	Use 2023 DESNZ data – Mean approach	+£0.80

*These impact figures for cap period 14b are indicative. The final impact on the cap level may differ due to changes over time, and these estimates do not account for interactions with indexed components or levelisation effects.

For all options above, the DESNZ subnational energy consumption data is used to assess the average consumption trend over time. We consider this data to be a reliable source of information for tracking long-term trends in energy consumption. The data is weather corrected which means that differences in weather conditions between years is removed. This National Statistics certified data gives a robust annualised view of actual meter point data.

All options considered are forecast to increase the price cap due to the reduction in average consumption since the price cap was introduced. Adopting a consistent approach by updating the benchmark using the latest TDCV, relative to continuing to use the existing assumption, would increase the cap by nearly £8.70 per customer per year. This option would have a similar impact across each payment method.

Changing the approach to use the most recent median data for 2023 would increase the cap level for the same period by around £17.10 per customer per year. While option 3 would have the least impact on the price cap level (<£1 per customer per year), as set out below we do not consider using the mean approach to be the most representative of typical consumption.

The median value (i.e. the 'middle' consumption level within the sample) was considered to better represent typical household consumption, compared to using a mean value. This is because outlying consumption values have a greater impact on the mean than the median. Importantly DESNZ notes in its subnational consumption

statistics[7] that some non-domestic meters may be misclassified as domestic for both electricity and gas. As a result, the highest-consuming meter points in the domestic dataset may not represent households at all. These misclassified non-domestic meters can significantly skew the mean consumption figures, whereas the median remains more robust to such distortions.[2]

A further benefit of option 1 is that we would be able to align benchmark reviews with the biannual TDCV reviews which would ensure that benchmark consumption tracks changes in energy consumption going forward. The next TDCV review is likely to happen in 2026 so any consumption level we set as part of this review is likely to be temporary.

Another consideration is what period of time to observe that would most appropriately reflect typical consumption. Option 1 is based on the approach taken in the latest TDCV review, which observes a combination of data from 2019 and 2021. A two-year approach was taken in order to reduce reliance on any single year, in the most recent case adjusting for the impact of the COVID-19 related lockdowns by excluding 2020.

It was noted that the likelihood of this having a persistent impact for consideration in future reviews, especially as the wider cost of living crisis may impact shorter term consumption trends. Options 2 and 3 are based on 2023 data. While this is the latest period available, viewed in isolation it may not be fully representative of the long-term trend given the potential cost of living concerns across 2023.

Suppliers achieved an average EBIT of £26 per domestic customer in 2024[8]. This figure covers both default tariff and fixed tariff customers. When expressed as a percentage of the price cap (excluding VAT), this equates to an EBIT margin of approximately 1.47% around 1% lower than the roughly 2.5% notional EBIT allowance in the price cap that we consider reflects a reasonable return on capital. Updating the benchmark consumption would increase EBIT margins across all options considered relative to making no change. Specifically, Option 1 is expected to raise EBIT by 0.32%, Option 2 by 0.63%, and Option 3 by 0.03%.

Taken together, these considerations suggest that updating the benchmark consumption to reflect more recent data is necessary to ensure the cap remains aligned with current consumption patterns. We believe that Option 1 offers a balanced and pragmatic approach, maintaining consistency with existing methodologies while improving transparency and supporting future updates. We recognise that the choice of benchmark consumption affects the unit rate and may have a greater impact on higher-consuming customers. However, we consider the proposed change to be in the overall interests of default tariff customers as it strikes the right balance between price protection and enabling recovery of efficient costs. We welcome stakeholder views on

[7] DESNZ (2024), Sub-national electricity and gas consumption statistics, Methodology section. https://www.gov.uk/government/collections/sub-national-electricity-consumption-data
[8] Ofgem (2024), Financial Resilience and Controls Transparency Report https://www.ofgem.gov.uk/sites/default/files/2025-04/FRC_transparency_report.pdf

the options presented and the implications for suppliers, consumers, and the wider market.

Implementation

Subject to consideration of consultation responses, we intend to implement changes to update the benchmark consumption from charge restriction period 15b, commencing 1 January 2026. We have published a notice of proposed licence modifications to standard licence condition 28AD of all gas and electricity supply licences as a subsidiary document to this consultation. Please see Appendix 1 for updates we have made to the price cap models, which are published along with this consultation, to indicate how we would propose to implement our minded to position.

Consultation Questions

We welcome stakeholder views on the following:

Questions
1. Do you agree that benchmark consumption in the price cap should be updated?
2. Do you agree with our minded-to proposal to update the benchmark consumption level using the latest TDCV?
3. What are your views on the alternative approach of using 2023 DESNZ median consumption data?
4. What are your views on the option of using 2023 DESNZ mean consumption data, including any implications for the headroom allowance or other elements of the cap?

3. Part B: Payment method specific approach

This section explores whether benchmark consumption should vary by payment method—Direct Debit, Standard Credit, and Prepayment meter—due to differences in average usage. While this could improve cost reflectivity and support diverse supplier business models, it may also increase costs for higher-consuming customers, especially those on prepayment meters. The proposal is at an early stage and seeks stakeholder views to inform potential future policy development.

Background

Further to section 1, we are seeking initial views on whether to introduce payment method specific benchmark consumption levels within the price cap. This would involve setting separate benchmark consumption values for Direct Debit (DD), Standard Credit (SC), and Prepayment Meter (PPM) customers, rather than applying a single benchmark across all payment types. This exercise seeks initial views in order to assist in the potential development of a further proposal.

Issue

There are differences in average consumption between payment types. DD customers typically consume more energy than SC and PPM customers, with PPM customers having the lowest average usage. This variation has implications for how suppliers recover fixed costs under the cap, as a portion of these costs are recovered through the unit rate.

The table below illustrates the variation in consumption by payment type. To calculate the proposed new consumption values, we used average consumption data from the Debt-related Costs RFI and applied customer weights from the Customer and Tariff Accounts RFI. For each fuel type and metering arrangement, we scaled the 2023 TDCV by the relative consumption levels across payment methods, ensuring the benchmarks reflect usage patterns and customer distribution.

Table 4- Proposed Benchmark Consumption

Fuel Type	Metering Arrangement	Payment Type	Ofgem Current Benchmark (kWh)	Proposed New Benchmark (TDCV weighted by average demand from Debt RFI)
Electricity	Single Rate	DD	3,100	2,863
Electricity	Single Rate	SC	3,100	2,603
Electricity	Single Rate	PPM	3,100	2,327
Electricity	Multi-Rate	DD	4,200	4,112
Electricity	Multi-Rate	SC	4,200	3,740
Electricity	Multi-Rate	PPM	4,200	3,343
Gas	N/A	DD	12,000	12,673
Gas	N/A	SC	12,000	10,836
Gas	N/A	PPM	12,000	8,586

Considerations

The main rationale for introducing payment-specific benchmarks would be to improve cost reflectivity in the cap. Because some fixed costs—such as operational expenditure and industry charges—are recovered through the unit rate, suppliers with a higher proportion of lower-consuming customers (e.g. PPM customers) may under-recover their costs relative to the benchmark. While across the market as a whole this effect will net out, this can negatively affect the financial position of suppliers with a higher proportion of SC and PPM customers while being a benefit to suppliers with a higher proportion of DD customers.

While there are many reasons that individual customers consumption will vary, we are primarily concerned with correlation to payment type because we broadly consider it in customer's interests to enable a diversity of business models to be viable under the cap, supporting consumer choice and competition – and payment type is a major factor in differences between supplier's business models and customer choices.

However, there are a number of important considerations and potential drawbacks. First, the introduction of payment-specific benchmarks would result in higher cap levels for some customers, particularly those on prepayment meters. Our analysis suggests that, relative to our minded to position in Part A, dual fuel PPM customers would have paid approximately £14.76 more per year under a payment-specific approach. This compares to an approximate £3.64 increase for SC customers and £6.10 less for DD customers[9]. Given that PPM customers are more likely to be in vulnerable circumstances, this raises concerns about the distributional impact of such a change – especially for high consumption PPM customers.

Second, introducing multiple benchmarks would add complexity to the cap methodology. This could make the cap more difficult for stakeholders to understand and for Ofgem to communicate clearly, particularly in relation to how cap levels are calculated and how they vary across customer groups.

Third, while the Debt-related Costs RFI provides useful data on consumption by payment type, it is not a comprehensive market-wide dataset. The RFI collects data on total energy usage from a selection of suppliers[10], disaggregated by region, fuel type, payment method, and tariff type. We recognise that this may limit the representativeness of the data and welcome views on its suitability, as well as suggestions for alternative data sources or methodologies.

Finally, while there are observable differences in consumption across other dimensions—such as regional variation—we do not currently have sufficiently robust data or evidence to calculate the impact of alternative benchmark approaches. In addition suppliers' customer bases are distributed across multiple regions therefore any differences in regional consumption on suppliers' financial positions will be mitigated. As such, we are not exploring these options at this time.

We welcome initial views on the questions below. Responses will inform our consideration of whether it is appropriate to develop a policy that introduces payment method-specific benchmark consumption levels within the price cap. For the avoidance of doubt, this engagement is intended to support the development of a potential future proposal and does not imply that such a proposal will necessarily be brought forward. Should we decide to proceed, we would expect to undertake a further consultation.

[9] These figures are indicative and do not account for interactions with indexed components or levelisation effects. Final impacts may vary.

[10] The Debt-related Costs RFI requested that all suppliers who had at least 100,000 default tariff customer accounts in cap periods 13b and 14a (January 2025 – June 2025) provide information in connection with their debt-related costs and total energy consumption.

Consultation Questions

We welcome stakeholder views on the following:

Questions	
1.	Do you consider that there is a case for introducing payment method specific benchmark consumption levels within the price cap?
2.	We have considered a proposed method of calculating payment-specific benchmarks using the 2023 TDCVs weighted by average consumption data from the Debt-related Costs RFI, are there alternative data sources or methodologies you believe we should consider?
3.	What are your views on the potential distributional and operational impacts of introducing payment-specific benchmarks?

Appendix 1 – Summary guidance on proposed changes to price cap models

In this appendix, we summarise the proposed changes to the price cap models as a result of the benchmark consumption review.

Summary of changes

We have published an updated version of the below annex to the licence conditions:

- Annex 2 (Wholesale cost allowance methodology)
- Annex 3a (Network-cost-allowance-methodology-elec)
- Annex 3b (Network-cost-allowance-methodology-gas)
- Annex 4 (Policy-cost-allowance-methodology)
- Annex 9 (Levelisation allowance methodology and levelised cap levels)

We have also published an updated version of the Default tariff cap level model (pre-levelisation).

To align with our proposed implementation for period 15b, we have made the relevant changes required to the model. The inputs from period 15b have been left blank, however the calculations have been changed to reflect the policy intent, in order to test the functionality of the model. We will update the relevant inputs for implementation stage, which we expect to be January 2026 (although our ability to make a decision will be contingent on the feedback we receive from this consultation).

Table A1 below sets out a summary of the proposed changes to the Default tariff cap level model (pre-levelised rates), Annex 2, Annex 3a, Annex 3b, Annex 4, Annex 9 models.

Table A1: Summary of changes to price cap models

Model	Worksheet	Change	Description
Annex 2 (Wholesale cost allowance methodology)	3b Demand	A new table is added	A new table is added which will contain the revised benchmark consumption for electricity (single rate metering arrangement and multi-rate metering arrangement) and gas.
Annex 2 (Wholesale cost allowance methodology)	All calculation and Output tabs	Change in formula from	The formulas in calculation and output tabs (i.e. tabs: 1b Direct Fuel Cost Component, 4a Capacity Market Component, 5a Apply losses, 5b Supplier charge, 5c Uplift

Model	Worksheet	Change	Description
Annex 2 (Wholesale cost allowance methodology)	All calculation and Output tabs	P15b (Jan – Mar 2026) onwards	clearing prices, 7a CFD allowance, 7b CFD calculation, 8a(i) Backwardation, 8a(iii) Backwardation calc) are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption from the 3b demand tab.
Annex 3a (Network-cost-allowance-methodology-elec)	3a Demand tab	A new table is added	A new table is added which will contain the revised benchmark consumption for electricity single rate metering arrangement and multi-rate metering arrangement.
Annex 3a (Network-cost-allowance-methodology-elec)	All calculation tabs	Change in formula from P15b (Jan – Mar 2026) onwards	The formulas are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption from 3a demand tab.
Annex 3b (Network-cost-allowance-methodology-gas)	3a Demand tab	A new table is added	A new table is added which will contain the revised benchmark consumption for gas.
Annex 3b (Network-cost-allowance-methodology-gas)	Calculation tabs	Change in formula from P15b (Jan – Mar 2026) onwards	The formulas in calculation tabs (2d Gas distribution, 2b Gas transmission) are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption from 3a demand tab.
Annex 4 (Policy-cost-allowance-methodology)	3a Demand tab	A new table is added	A new table is added which will contain the revised benchmark consumption for electricity (single rate metering arrangement and multi-rate metering arrangement) and gas.

Model	Worksheet	Change	Description
Annex 4 (Policy-cost-allowance-methodology)	Calculation and Output tabs	Change in formula from P15b (Jan – Mar 2026) onwards	The formulas are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption from 3a demand tab.
Default tariff cap level model (pre-levelised rates)	Tab1c Consumption adjusted levels:	A new table is added	A new table is added which will contain the revised benchmark consumption for electricity (single rate metering arrangement and multi-rate metering arrangement) and gas.
Default tariff cap level model (pre-levelised rates)	Tab1c Consumption adjusted levels:	Change in formula from P15b (Jan – Mar 2026) onwards	The formulas are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption.
Default tariff cap level model (pre-levelised rates)	Calculation tabs	Change in name of tabs	Calculation tabs: ElecSingle_Other_3100kWh, ElecSingle_SC_3100kWh, ElecSingle_PPM_3100kWh, Gas_Other_12000kWh, Gas_SC_12000kWh,Gas_PPM_12000kWh, ElecMulti_Other_4200kWh, ElecMulti_SC_4200kWh, ElecMulti_PPM_4200kWh, renamed to ElecSingle_Other_Benchmark, ElecSingle_SC_Benchmark, ElecSingle_PPM_Benchmark, Gas_Other_Benchmark, Gas_SC_Benchmark,Gas_PPM_Benchmark, ElecMulti_Other_Benchmark, ElecMulti_SC_Benchmark, ElecMulti_PPM_Benchmark respectively.

Model	Worksheet	Change	Description
Annex 9 (Levelisation allowance methodology and levelised cap levels)	Tab1c Consumption adjusted levels:	A new table has been added	A new table is added which will contain the revised benchmark consumption for electricity (single rate metering arrangement and multi-rate metering arrangement) and gas.
Annex 9 (Levelisation allowance methodology and levelised cap levels)	Tab1c Consumption adjusted levels:	Change in formula from P15b (Jan – Mar 2026) onwards	The formulas are changed from P15b (Jan – Mar 2026) onwards to pick the revised benchmark consumption

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.