

26 August 2025

ICoSS Consultation Response for RIIO-3 draft determinations

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market¹.

Please note we have restricted our response to the Impact Assessment section of the RIIO-3 draft determinations.

IAQ1. Do you agree with our approach to assessing the economic impacts of RIIO-3?

IAQ2. What are your views on the appropriate approach to evaluation of the economic impacts of RIIO-3?

IAQ3. Do you agree with our approach to modelling the bill impacts of RIIO-3? Please provide any additional effects or alternative measures that you think would be appropriate.

We welcome the detailed assessment and information provided by Ofgem regarding the impact on prices for customers. We note however the considerable increase that is expected on customer bills commencing 2026/27, in particular for electricity transmission charges. Whilst we understand the expectation for higher costs as a result of the system transformation needed for net zero, we are concerned about the step change in costs for non-domestic customers that will occur. We acknowledge that Ofgem believe that this investment will be offset by lower constraint and other system costs in the future, this will come too late for many businesses who were unable to weather the higher upfront costs in less than two years.

We believe that serious consideration should be given to ameliorate the increase in costs that customers will have to face by spreading the increases in allowed revenue over the duration of the price control period. We accept that this may require finance funding so that the networks can continue to invest, but we believe that this allow many non-domestic customers to survive what otherwise may be unsustainable cost increases in their energy bills.

Yours sincerely

A handwritten signature in blue ink, appearing to read "G. Evans".

Gareth Evans

