To: All holders of an electricity supply licence**

Electricity Act 1989
Section 11A(2)

Notice of statutory consultation on a proposal to modify the standard conditions of all electricity supply licences

1. The Gas and Electricity Markets Authority ('the Authority')[1] proposes to modify the standard conditions of all electricity supply licences granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 by introducing SLC 24B ("Debt Relief Scheme") to all Electricity Supply Licences as set out in Appendix 1 to this notice.

2. We are proposing these additions to ensure the licensing regulatory regime embeds the changes required by Phase 1 of the proposed Debt Relief Scheme (DRS).

3. A detailed description of the policy background and rationale of the proposed licence modifications is set out in Ofgem's Statutory Consultation on the Debt Relief Scheme and supporting documents.

4. The effect of these proposed modifications is to set out the requirements on electricity supply licence holders under the Debt Relief Scheme. In summary, it obliges licensees who are obligated under the Warm Home Discount Scheme in Scheme Year 15 to identify eligible debt and eligible consumers, provide consumer information to the Department of Work and Pensions for the purposes of identifying eligible consumers, provide debt relief and services to eligible customers, and where applicable submit payment claims to Ofgem for certain costs incurred in delivering the scheme.

[1] The terms "the Authority", "we" and "us" are used interchangeably in this document

The Office of Gas and Electricity Markets
10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000 **www.ofgem.gov.uk**

5. More details on the proposed modifications referred to in this Notice are contained within the Statutory Consultation document published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.

6. Any representations with respect to the proposed licence modifications must be made on or before **18 December 2025** to: The Pricing Strategy Team, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to DebtConsultations@ofgem.gov.uk.

7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.

8. If we decide to make the proposed modifications and additions, they will take effect not less than 56 days after the decision is published.

Amy O'Mahoney

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Amy O'Mahoney
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

6 November 2025

Appendix 1 – Proposed modification of the Standard Conditions (SLCs) of all Electricity Supply Licences

New text is denoted by double underlining

Condition 24B. Debt Relief Scheme

Application of this condition

24B.1) This condition applies where the licensee is obligated under the Warm Home Discount Regulations 2022 (England and Wales) and the Warm Home Discount Regulations 2022 (Scotland) to participate in the Warm Home Discount (WHD) for Scheme Year 15.

24B.2) This condition shall apply until the DRS Phase 1 End Date unless the Authority, following further consultation, specifies otherwise by publishing a statement in writing.

Guidance

24B.3) The licensee must have regard to any Delivery Guidance on this condition (including in respect of definitions which appear in standard condition 1) which the Authority may from time to time revise following further consultation.

Duty to close scheme to new Applications on DRS Phase 1 Application End Date

24B.4) The licensee must not consider new Applications to the DRS from Non-automatic Phase 1 Customers after the DRS Phase 1 Application End Date.

Duty to apply DRS Adjustment

24B.5) Between the DRS Phase 1 Start Date and DRS Phase 1 Engagement End Date, the licensee must issue a DRS Adjustment to each of its Phase 1 Customers who fulfil the Phase 1 Engagement Condition.

24B.6) The licensee must be satisfied the Phase 1 Customer is eligible and has fulfilled the Phase 1 Engagement Condition before issuing a DRS Adjustment.

24B.7) When a Phase 1 Customer has fulfilled the Phase 1 Engagement Condition, the licensee must issue a DRS Adjustment within 30 calendar days of either:

a. The DRS Phase 1 Start Date, if the Phase 1 customer is an Automatic Phase 1 Customer;

b. The date on which the Phase 1 Engagement Condition is fulfilled, if the Phase 1 Customer is a Non-automatic Phase 1 Customer.

24B.8) When the licensee has issued a DRS Adjustment, the licensee must specify on the Phase 1 Customer's next bill or statement of account (or otherwise notify the Phase 1 Customer in writing) that they have been provided with a DRS Adjustment and specify the value, in pounds sterling, of the DRS Adjustment provided.

Duty to offer services to complete the Phase 1 Engagement Condition

24B.9) Where a Non-automatic Phase 1 Customer, who has not fulfilled the Phase 1 Engagement Condition, contacts the licensee about the Debt Relief Scheme, the licensee must offer the Phase 1 Customer services as outlined in the Delivery Guidance.

24B.10) The licensee must have regard to which services outlined in the Delivery Guidance are most appropriate to the circumstances of the Phase 1 Customer.

24B.11) When the Phase 1 Customer has agreed to one of the services as outlined in the Delivery Guidance, the licensee must consider the Phase 1 Customer as having fulfilled the DRS Phase 1 Engagement Condition. The licensee must then issue a DRS Adjustment as outlined in paragraph 24B.7b.

Duty to identify DRS Eligible Debt

24B.12) The licensee must identify Domestic Customers who have equal to or more than £100.00 of DRS Eligible Debt by a date set out in the Delivery Guidance.

24B.13) The licensee must provide information regarding Domestic Customers who have equal to or more than £100.00 of DRS Eligible Debt to the Department for Work and Pensions. The Department for Work and Pensions will notify the licensee which Domestic Customers are in receipt of a means-tested benefit and are therefore eligible to be Phase 1 Customers.

24B.14) Prior to the DRS Phase 1 Start Date, the licensee must provide the Authority with a statement outlining their DRS Eligible Debt, as set out in the Delivery Guidance.

DRS Phase 1 Readiness Assessment

24B.15) Prior to the DRS Phase 1 Start Date, the licensee must provide the Authority with a DRS Phase 1 Readiness Assessment as set out in the Delivery Guidance.

24B.16) The Authority must approve a DRS Phase 1 Readiness Assessment submitted by the licensee in order for the licensee to be eligible to make a claim for DRS Payment.

Duty to provide customers with information about DRS

24B.17) Between the DRS Phase 1 Start Date and DRS Phase 1 Application End Date, the licensee must contact Non-automatic Phase 1 Customers with information about the scheme, as set out in the Delivery Guidance.

Duty to adhere to reporting, assurance, and audit requirements

24B.18) The licensee must comply with reporting, assurance, and auditing requirements to demonstrate compliance with this condition.

Making a claim for DRS Payment

24B.19) If the Licensee has received the Authority's consent under paragraph 24B.16 it may make a claim for a DRS Payment.

Process for claiming DRS Payment

24B.20) If the licensee intends to make a claim for DRS Payment from each Relevant Distributor, it must:

a. give notice to the Authority of its claim;

b. be eligible under paragraph 24B.16; and

c. give the Authority a calculation of the amount claimed with information to support that calculation, no later than a date notified to it by the Authority.

24B.21) The total amount of the claim for DRS Payment (for this condition only, "the relevant amount") to be claimed by the licensee must not exceed the amount determined by the supplier reimbursement methodology in the Delivery Guidance.

24B.22) If the Authority considers it appropriate in all the circumstances of the case for the licensee to make the claim notified to it, in accordance with paragraph 24B.21, the Authority may give its consent to the Licensee.

24B.23) The Authority may determine that an amount other than the one calculated by the licensee is a more accurate calculation of the relevant amount.

24B.24) If the Authority makes a determination under paragraph 24B.23, the amount specified by it must be treated as the relevant amount for the purpose of paragraph 24B.21.

Dispute Resolution Process

24B.25) If the licensee disputes the relevant amount determined under paragraph 24B.24 then they may follow a dispute process set out in the Delivery Guidance where the licensee can provide further evidence. The Authority may make the final determination on the relevant amount.

Transfer of rights in relation to and arising from valid claims for DRS Payment

24B.26) The licensee may assign or dispose of all or any of its rights under the licence or otherwise in relation to or arising from a valid claim for DRS Payment provided that the licensee has obtained the Authority's prior written consent to the proposed assignment or disposal, including the identity of the person to whom the assignment is made (such consent to be consistent with any guidance or policy statement published for the purposes of this condition or the assignment or disposal of rights in relation to or arising from valid claims for DRS Payment).

Submissions to Relevant Distributors

24B.27) A claim for DRS Payment by the licensee from each Relevant Distributor referred to in paragraph 24B.20 must specify:

a. the relevant amount to be paid by that Relevant Distributor;
b. the account(s) into which the relevant amount should be paid

24B.28) A claim for DRS Payment will lapse if the licensee fails to submit the valid claim to the Relevant Distributor within a period notified by the Authority as set out in the valid claim.

Definitions for condition

24B.29) For the purposes of this condition:

"**Application**" means, as set out in paragraph 24B.9 to 24B.11, a contact from a Non-Automatic Phase 1 customer who agrees to one or more of the services as outlined in the Delivery Guidance.

"**Delivery Guidance**" means text published by the Authority which provides advice and information on each component of the DRS.

"DRS Phase 1 Application End Date" is the last day on which Non-Automatic Phase 1 customers can apply to the scheme, as set out in the Delivery Guidance.

"DRS Adjustment" means a full write-off of DRS Eligible Debt applied by licensees to the account of a Phase 1 Customers.

"DRS Eligible Debt" means the total increase in Outstanding Charges, as defined in Standard Condition 1, which are due to the licensee from a Domestic Customer based on the Domestic Customer's billed charges between 1st April 2022 and 31st March 2024, as calculated on 6 November 2025.

"DRS Phase 1 End Date" means the final close date of the scheme, as set out in the Delivery Guidance.

"DRS Engagement End Date" is the last day on which Non-Automatic Phase 1 customers must have fulfilled the Phase 1 Engagement Condition to be eligible for a DRS Adjustment, as set out in the Delivery Guidance.

"DRS Payment" means a sum of money payable to the licensee or any DRSP Permitted Assignee to compensate for additional costs associated with the Debt Relief Scheme, as outlined in the supplier reimbursement methodology within the Delivery Guidance.

"DRSP Permitted Assignee" means a person to whom the Authority has consented to the licensee assigning or otherwise disposing of all or any of its rights in relation to or arising from a Debt Relief Support Payment pursuant to Condition 24B (Debt Relief Scheme), with the Authority's consent.

"DRS Phase 1 Start Date" is the date in which the scheme commences, as set out in the Delivery Guidance.

"DRS Phase 1 Readiness Assessment" means the DRS Readiness Assessment process defined in the Delivery Guidance.

"Phase 1 Customer" means a Domestic Customer with equal to or more than £100 of DRS Eligible Debt who is identified as eligible by the Department for Work and Pensions.

"Automatic Phase 1 Customer" means a customer who has met Phase 1 Engagement Condition as outlined in the Delivery Guidance.

"Non-automatic Phase 1 Customer" means a Phase 1 Customer who is not an Automatic Phase 1 Customer.

"Phase 1 Engagement Condition" means the engagement condition for Domestic Customers to access the scheme as outlined in the Delivery Guidance.

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