

Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Date: 7th November 2025

Reference: Energy price cap: proposed changes to Warm Home Discount Scheme cost allowance

Dear Colleagues,

Thank you for providing Ecotricity with the opportunity to respond to the Energy price cap: proposed changes to Warm Home Discount Scheme cost allowance consultation.

Please find our response below. This response is to be classed as non-confidential

1. Do you agree with our proposal to amend the WHD cost allowance profile as described in section 2 from 1 January 2026?

Ecotricity agrees with this proposal. From a financial perspective, the 15-month recovery period with the £6.82 uplift offers a more predictable and stable revenue stream compared to a shorter-term, higher increase. Starting recovery earlier, in January 2026, enables suppliers to offset the upfront cost of delivering rebates by March 2026, thereby improving liquidity and reducing working capital strain. This approach also enhances cashflow alignment between cost recovery and rebate payments

By putting this policy in place, we risk encouraging suppliers to be less conservative in their financial reporting. We argue this will have a negative impact on the industry.

2. If you do not agree with the proposal, do you propose any alternative WHD profiling options?

While Ecotricity supports the proposed profile, an alternative approach that could be considered is a slightly longer recovery period (for example, 18 months.) This would further mitigate the impact on consumer bill, particularly for low-use households. However, we recognise that extending the recovery period beyond 15 months may introduce additional complexity in aligning with existing scheme timelines.

Yours sincerely

Leanne Vickery
Senior Regulation and Compliance Officer
Sent on behalf of Ecotricity Ltd