

Daniel Newport
Deputy Director, Price Cap
Ofgem
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Email to: retailpolicyinterventions@ofgem.gov.uk

16 September 2025

Dear Danny,

Renewal of Ban on Acquisition-only Tariffs (BAT) After March 2026

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewables, including onshore and offshore wind and solar generation, as well as energy storage. With over five and a half million electricity and gas customer accounts, including residential and business users, EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

EDF welcomes the opportunity to provide comments on Ofgem's proposals for the BAT (and associated Market-wide Derogation) to be renewed for a further 12 months, until 31 March 2027. EDF has previously set out that it strongly supports the retention of the BAT as an essential and enduring feature of the domestic retail market, at least until more fundamental reform of price regulation can be progressed to protect consumers and ensure market stability. On this basis, we are fully supportive of Ofgem's proposal to extend the BAT for a further 12 months beyond March 2026, while longer term decisions are being made on the future of the retail energy market. We look forward to engaging further with Ofgem as part of its consideration of future retail market reforms, including a possible enduring role for the BAT.

In terms of extending the market wide derogation for retention tariffs, we recognise Ofgem's arguments for maintaining the derogation in line with the BAT extension. Specifically, we agree that any impact on competition is not significant at this time and so extending it alongside the BAT would be a sensible approach. However, Ofgem should further review the need for such a market wide derogation again as part of its discussions on an enduring BAT.

However, we have previously highlighted a need to amend the existing market wide derogation rules to prevent practices that are not within the spirit of the rules and/or could be damaging to competition. Specifically, practices that involve providing targeted incentives to win back customers following receipt of a loss notification notice is not consistent with the

policy intent of the BAT and accompanying market wide derogation and should therefore be explicitly excluded from derogation rules. Ofgem should either amend the licence condition to explicitly exclude such practices under the derogation or alternatively provide clearer guidance on what types of retention tariffs are permissible under the derogation.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Steven Eyre, or myself.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Mason", enclosed within a thin black rectangular border.

John Mason
Senior Manager - Senior Manager (Price Regulation and Market Dynamics)