

To: All holders of a gas supply licence

**Gas Act 1986
Section 23(2)**

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

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the standard conditions of all gas supply licences granted or treated as granted under section 7A of the Gas Act 1986 by amending standard licence condition (SLC) 24A in the manner set out in the schedule attached to this notice and described in the statutory consultation accompanying this notice.
2. We are proposing these modifications to enable a requirement on all suppliers acquiring a domestic customer to pay a 'Market Stabilisation Charge' (representing a portion of the cost to the losing supplier of unwinding their hedge) to the losing supplier once the condition takes effect in accordance with SLC24A.2A as is proposed and wholesale prices have fallen below a pre-set trigger point. A description of the reasons for and the effects of this proposed licence modifications has been published by the Authority in the accompanying consultation.
3. The effect of these proposed modifications is to support market stability during wholesale market volatility, in particular protecting consumers from mutualisation costs as a result of supplier exits.
4. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.
5. Any representations with respect to the proposed licence modification/modifications must be made on or before 15 May 2026 to: Daniel Newport, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to priceprotectionpolicy@ofgem.gov.uk.
6. 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 However, if you do not wish your response to be made public then please clearly mark it as not for publication.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.
7. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

**Charlotte Friel
Director, Retail Pricing and Systems
Duly authorised on behalf of the
Gas and Electricity Markets Authority**

17 April 2026

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

Appendix 1 – Proposed modifications to the standard conditions of all electricity supply licences

New text is denoted by double underlining. Deleted text is denoted by strike through.

Condition 24A Market Stabilisation Charge

Obligation to pay Market Stabilisation Charge

- 24A.1 If the licensee is an Acquiring Supplier in respect of a Domestic Customer, and the Losing Supplier Loss Trigger is met in respect of that Domestic Customer, it must pay the Market Stabilisation Charge (if any);
- (a) calculated in accordance with the guidance issued by the Authority on this SLC 24A; and
 - (b) administered in accordance with the requirements of the Retail Energy Code, to such person as may be specified in the Retail Energy Code and for the benefit of the relevant Losing Supplier.

Guidance

- 24A.2 The licensee must have regard to any guidance on this SLC 24A (including in respect of definitions which appear in standard condition 1) which, following consultation, the Authority may issue and may from time-to-time revise.

Duration of the obligation to pay the Market Stabilisation Charge

24A.2A The provisions in this Condition 24A shall take effect on and from 00:00 on a date specified by the Authority by publishing a statement in Writing.

24A.3 Once SLC 24A has effect in accordance with paragraph 24A.2A, the Authority may, following consultation, publish a subsequent statement in Writing that the requirement in paragraph 24A.1 shall cease to have effect on and from a date specified by the Authority until such a date as may, following consultation, be specified by the Authority in a subsequent statement in Writing.

24A.4 The power in paragraph 24A.3 may be exercised by the Authority on more than one occasion.

~~24A.3 SLC 224A shall cease to have effect at 23:59 on 31 March 2024 unless the Authority specifies (i) the condition will cease to have effect at an earlier date or (ii) a later date, to be 23:59 on 31 March 2025 and thereafter on the anniversary of that date, by publishing a statement in Writing.~~

~~24A.4 The power to specify a later date in paragraph 24A.3 may be exercised by the Authority on more than one occasion (up until and including on any later date specified by the Authority).~~

Definitions for condition

24A.5 For the purposes of this condition:

Acquiring Supplier means in respect of a Domestic Customer, a licensee to whom a Domestic Customer switches from a Losing Supplier.

Losing Supplier means, in respect of a Domestic Customer the licensee from whom a Domestic Customer switches to an Acquiring Supplier.

Losing Supplier Loss Trigger shall, in respect of a Domestic Customer, have the meaning set out in guidance issued by the Authority on this SLC 24A.