



Centrica plc
Millstream
Maidenhead Road
Windsor
SL4 5GD
www.centrica.com

Daniel Newport
Retail Price Protection
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

20th April 2026

Sent by email to: priceprotectionpolicy@ofgem.gov.uk

Dear Daniel,

We welcome the opportunity to respond to this consultation on the proposal to update the gas and electricity Typical Domestic Consumption Values (TDCVs).

This is a non-confidential response on behalf of the Centrica Group.

TDCV figures and benchmark consumption values should be updated for incorporation into the July 2026 price cap

We strongly agree TDCVs should be updated without delay and that the benchmarks used in the price cap should reflect the new values. The failure to align these values and to keep them up to date has led to significant and persistent under-recovery of revenues under the price cap, meaning suppliers have not been able to finance their efficient operations. This needs to be implemented without delay and for the July 2026 price cap.

We agree the impact of the COVID-19 pandemic has now been superseded and can be removed and that 2023-24 data should be used. We do not see any evidence of rebounding of consumption since this period.

We note the significant reductions in the “medium” usage which affect the price cap:

Electricity 2900 -> 2700 p.a.

Gas 11500 -> 9500 p.a.

This implies that suppliers have been under recovering revenues for the last three years: i.e. since at least April 2023 and likely earlier. The implied increases to the unit rates in the price cap are therefore necessary and strongly overdue. The failure to update TDCVs/benchmarks, alongside the ongoing debt problem, has led to unsustainably low margins in retail supply. Ofgem itself reports that household margins fell to £8/customer by 2025.

TDCVs\benchmarks should be updated regularly

Going forward, the assessment should use the most up to date information and without Ofgem seeking to anticipate future increases or further reductions. Wholesale prices and consumer response continues to be uncertain, especially in light of current geopolitical events.

Benchmark updates were previously promised every two years, but this commitment has not been met, leaving the framework significantly behind schedule. A clear, standardised cycle is therefore essential.

We strongly agree to maintain the use of median values for both TDCVs and benchmark consumption for the price cap. Very high use meter readings will distort the values upwards and may include some elements of non-domestic use. In any case, to the extent that high electricity consumption is the result of e.g. EV use, such users are also less likely to be on a Standard Variable Tariff (SVT) product.

We agree with the thresholds of 100KWh and 500KWh in considering thresholds for future changes.

Trends in consumption over time, along with any suggestions for alternative data or evidence that may bring insight for future reviews

We agree with the discussion of reasons behind the falling TDCV figures. As well as the impact of price levels, it is also correct for Ofgem to note that these reductions reflect the considerable success of programmes such as ECO which have delivered real savings for consumers. The spread of new technology such as HIVE controllable thermostats and other products should be acknowledged by Ofgem.

We expect to see these long-term trends continue with the expansion of “behind the meter” technology. Measures to be taken by the Government to allow for plug-and-play solar and battery technology also has the potential to reduce consumers consumptions significantly. While we welcome this, it underlines the need for TDCVs and price cap assumptions to be kept up to date.

Weather correction and seasonal normal adjustment

We agree with using weather correction for gas. We strongly agree with the proposed further adjustment to reflect seasonal values as discussed in para 3.35, i.e. using DESNZ’s figures.

Communication of bill levels

Both Ofgem and the industry will need to adapt communication of “typical” bill values to reflect the new TDCV figures. We are ready to make sure that consumers understand why the figures have changed and what it means for them personally. We have already launched an internal programme to incorporate new TDCVs into our processes and external communications.

We see some merit in Ofgem restating the historical headline price cap values: e.g. from July 2023 (i.e. following the expiry of the Energy Price Guarantee) so that there is transparency around the trajectory of energy bills. This could be done well in advance of announcement of the July 2026 cap (e.g. early May) announcement. It is clear that market commentators are expecting the headline bill to increase to reflect higher wholesale prices.

We approve of the TDCVs going live from a cap methodology perspective on the 1st July. However, to ensure consistency of customer messaging, our preference would be to start using the new TDCVs for comms, quotes and renewals etc from the 1st June. Consistent approaches from suppliers should be enforced to avoid individual suppliers gaining an advantage. For example, using lower TDCV quotes earlier, appearing to be like-for-like cheaper.

E7 consumption split and the merits of maintaining a defined consumption split.

We support Ofgem’s approach.

Yours sincerely,

William Webster

Head of Economic Regulation and Policy

William.Webster@centrica.com