

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

Publication date: 08 October 2026

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 amending Standard Licence Condition 22 (including SLC 22.2 and SLC 22.3).
1. We are proposing these modifications to support innovation in the domestic electricity retail market by reducing barriers to entry for suppliers seeking to provide specialist propositions, including products and services that support consumer participation in flexibility and the adoption of low-carbon technologies such as electric vehicles, batteries and heat pumps. The Authority considers that exempting smaller suppliers from the Universal Service Obligation (USO) may encourage innovation, competition and consumer choice while maintaining appropriate consumer protections.
2. The effect of the proposed modifications would be to exempt electricity suppliers with less than 50,000 domestic customers from the requirement under Standard Licence Condition 22 to offer and supply electricity to all domestic consumers. The USO would then apply at and above 50,000 domestic customers. All other applicable licence obligations and consumer protections would continue to apply.
2. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk).

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

3. Any representations with respect to the proposed licence modifications must be made on or before 5th November 2026 to:

Tom Handysides
Office of Gas and Electricity Markets
10 South Colonnade
London, E14 4PU
or by email to marketsstrategy&delivery@ofgem.gov.uk

4. We prefer to receive responses in an electronic form so they can be placed easily on our website as 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 However, if you do not wish your response to be made public then please clearly mark it as not for publication.
5. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

A handwritten signature in grey ink that reads "TE Handysides". The signature is written in a cursive, slightly stylized font.

Tom Handysides

Duly authorised on behalf of the Gas and Electricity Markets Authority

6th October 2026

Schedule 1 – Draft of proposed modifications to the standard conditions of all electricity supply licences.

Draft supply licence conditions

Deletions are shown in strikethrough and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

Condition 22 Duty to offer and supply under Domestic Supply Contract

22.7 The licensee is not required to comply with the obligations set out in paragraphs 22.2 or 22.3 in any of the following circumstances:

(a) the licensee may breach regulations made under section 29 of the Act if it supplies electricity to the Domestic Premises, provided that it has taken all reasonable steps to prevent such breach from occurring;

(b) without prejudice to paragraph 13 of standard condition 25B, it is not reasonable in all the circumstances of the case for the licensee to supply electricity to the Domestic Premises, provided that, if it is already supplying electricity to the premises, it has given at least seven Working Days' Notice of its intention to stop doing so;

(c) the licensee requires the Domestic Customer to pay a Security Deposit and he does not do so, except if that deposit is in breach of any of the requirements in paragraphs 3 and 4 of standard condition 27 (Payments, Security Deposits and Disconnections); ~~or~~

(d) where the licensee is a Non-Green Deal Licensee, the premises of the Domestic Customer are Green Deal Premises and the licensee reasonably expects that those premises will continue to be Green Deal Premises at the time the licensee expects to begin supplying electricity to the premises; or

(e) if the total number of Domestic Customers supplied electricity is fewer than 50,000 Domestic Customers or such other number as may from time to time be directed by the Authority. In determining the total number of Domestic Customers for the purposes of this sub-paragraph (e), account must be taken of Domestic Customers supplied by the licensee, its Affiliates, and any parent undertaking or subsidiary undertaking of the licensee within the meaning of Part 38 of the Companies Act 2006.

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