

From: Tim Davis [REDACTED]
Sent: 14 September 2026 21:52
To: Markets Strategy & Delivery
Cc: John Baldwin; Harry Davis; Tom Baldwin
Subject: Supporting innovation in the electricity retail market: exempting small suppliers from the Universal Service Obligation (USO)

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Thank you for the opportunity to respond to this consultation. Our views on the questions raised are:

Q1 Do you agree with our proposal to exempt suppliers with fewer than 50,000 domestic customers from the USO?

CSL's view is that regulation should be proportionate rather than imposing the same requirements on all irrespective of their circumstances. We therefore support the proposed change to exempt smaller suppliers from the Universal Service Obligation to offer supply to any domestic customer within SLC 22.2 & SLC 22.3. This encourages the adoption of new LCTs towards the 2030 targets and enhances competition through increased consumer choice within relevant segments. More generally, the removal of important but disproportionate obligations for smaller suppliers reduces barriers to entry without reducing consumer protections. CSL considers this change to be wholly positive and that similar approaches to proportionate obligations should be considered and adopted for all licences. As a niche IGT, proportionate regulation could enhance routes to market for the biomethane and hydrogen solutions we support.

Q2 Do you agree with our assessment of risks, and proposed mitigations?

CSL agrees with the assessment of risks and considers the proposed mitigations to be proportionate. Again, we would like to see a similar approach adopted across the market rather than simply for smaller suppliers.

Regards,

Tim Davis
Biomethane Commercial Support

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<https://www.cngservices.co.uk/>





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