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Daniel Newport, Deputy Director
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By email only

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Dear Danny,

OVO response to Ofgem Consultation on Renewal of Ban on Acquisition-only Tariffs (BAT) after March 2027

Thank you for the opportunity to respond to this consultation. Our position is unchanged from our previous response, dated 24 September 2025, to Ofgem's August 2025 consultation on extending the BAT and its associated market-wide derogation to 31 March 2027. As invited to in this consultation, we ask that our previous response be taken into account, and confirm that we support the proposed extension of both measures to 31 March 2028 on the same basis as previously set out.

We do not consider that anything has changed in the market since our last response that would alter our position. If anything, the continued volatility in wholesale prices driven by the conflict in the Middle East reinforces the case for retaining both the BAT and the market-wide derogation while broader decisions on the future of price protection and the retail market remain outstanding.

We would, however, like to raise one additional point for this year's consultation. There have been a number of annual extensions of the BAT since it was introduced in April 2022, and Ofgem's own "minded-to" position, restated in each of the last several consultations, has been that the measure will remain in place until substantive decisions are made on its enduring status. We understand that Ofgem is not yet in a position to make that substantive decision, given it depends on the outcome of broader, ongoing questions about the future of price protection and the retail market more generally, and we recognise this consultation is explicitly scoped to avoid pre-empting that broader review.

That said, we think it would be simpler and more efficient, for both Ofgem and industry, to convert the BAT (and market wide derogation) into a semi-permanent SLC now, rather than continuing with annual temporary renewals indefinitely while that broader review remains pending. We would suggest this could be achieved without pre-empting the outcome of the

broader review, by drafting the licence condition to include a clearly scoped review trigger for example, a requirement for Ofgem to review the measure once specified conditions are met, such as a decision being taken on the future of the price cap or the wider retail market framework. This would give industry the certainty of a stable, enduring rule in the meantime, while still ensuring the measure is properly revisited once the questions that currently prevent it becoming an enduring feature of the market are actually resolved, rather than being reviewed on a fixed annual cycle regardless of whether anything relevant has changed.

We would be happy to discuss our response further, and should you have any questions please contact policy@OVOenergy.com.

Kind regards,

Nicola Roberts
Senior Regulation Manager, OVO