

CROSS SECTOR	
REFERENCE NUMBER:	CATEGORY: Addition
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 3.25
TITLE:	Consumer Value Proposition
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	
RELEVANT ISSUES LOG:	Specific_LC_issues_log_CS40_CVP_Clawback
POLICY ISSUES	
<ul style="list-style-type: none"> • Consultation Doc 5.20 • SpC 3.25.5 • SpC 3.25.7 • SpC 3.25.7 	<ul style="list-style-type: none"> • We are supportive of the clawback for non-delivery. However, this should be based on the value of the Consumer Value Proposition and should not include any associated costs. Please see our response to DD Core Document Q38. • The licence condition should provide that the date which Ofgem directs will not be less than [three months] following the end of the Price Control Period. • BPI_t is not defined in the drafting, and the interaction between BPI_t and CVPR_t is not clear. Clarification of this is necessary. • Draft Determination Core Document, para 10.81: <i>“We propose to recoup only the proportion if any CVP reward we determine has not been delivered”</i> should be reflected in the drafting. Reflection that it is a proportion of under-delivery that will be clawed back is important and should be added. We suggest an additional paragraph - <i>“Where the Authority makes a direction under paragraph 3.25.7, the value of CVPR_t and BPI_t which is directed shall reflect the extent to which the any CVP Output which has not been delivered has been partially delivered”</i>.
DRAFTING ISSUES	
<ul style="list-style-type: none"> • Part B heading • SpC 3.25.5 	<ul style="list-style-type: none"> • It is not consistent with the licence generally to have questions as headings. We suggest <i>“CVP Outputs, delivery dates and rewards”</i> as the Part B heading. • In SpC 3.25.5: <ul style="list-style-type: none"> ○ We suggest that “single” should be deleted. This could be misconstrued as suggesting that Ofgem may only consider one report provided and that the licensee could not, for example, correct errors or update the report where it was reasonable to do so.

<ul style="list-style-type: none"> • SpC 3.25.6 • SpC 3.25.6(a) • SpC 3.25.6(b) • SpC 3.25.8 • Definition 	<ul style="list-style-type: none"> ○ Our understanding from issue logs is that Ofgem intended that there should be one report per CVP, but the drafting currently refers to one report for all CVPs. If this has changed and the report should cover all CVPs as drafted, we suggest <i>“the CVP Outputs”</i> – it is unnecessary to refer to <i>“all of its”</i> outputs. • In SpC 3.25.6, we suggest it is more appropriate to use <i>“considers”</i> than <i>“believes”</i>. • In SpC 3.25.6(a), we suggest that this should be <i>“the reasons why it considers this to be the case”</i>. • In SpC 3.25.6(b), we suggest that this should be <i>“...<u>any evidence available that the activity delivers outcomes with an equivalent...</u>”</i>. • SpC 3.25.8 should refer to SpC 3.25.7. • The definition of CVP Full Delivery does not add anything to the condition and is confusing, by referring to CVP Outputs for <u>each</u> CVP. SpC 3.25.7 should instead refer to <i>“not delivered a CVP Output by 31 March 2026”</i>.
FINANCE ISSUES	
	<ul style="list-style-type: none"> • There is no blue box input within the PCFM variable values table which has been clearly assigned to CVPt allowance.
SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	