



8th January 2025

To Whom It May Concern,

Subject: REA Contribution to the Ofgem’s Open Letter on the Long Duration Electricity Storage (LDES) Cap and Floor Scheme

I hope this letter finds you well.

I am writing on behalf of the REA, its member organisations, and specifically, the REA Long Duration Energy Storage Working Group. As the UK’s largest trade association for the renewable energy sector, representing over 500 member companies, the REA is committed to advancing renewable energy, clean technology, and innovation. We strongly align with the Government’s objectives for energy security and net zero, and we commend the recognition of Long Duration Electricity Storage (LDES) technologies as pivotal to achieving a zero-carbon electricity system by 2030.

This letter serves as a contribution to Ofgem’s Open Letter. Our goal is to provide insights and perspectives on key issues critical to ensuring the success and viability of the proposed cap and floor scheme.

The REA welcomed the Government’s recent response to the LDES consultation, particularly the decision to adopt a cap and floor mechanism—a policy we have previously advocated for. We also support Ofgem’s role as the designated regulator and the planned timeline for opening the scheme to applications in 2025. We are encouraged by the Government’s acknowledgment of the vital role of LDES technologies in achieving energy security and net zero objectives. The estimated £24 billion in electricity system savings by 2050 through the deployment of 20GW of LDES further underscores the significance of this initiative for economic and environmental progress, in addition to its role in long-term energy security.

To support the longevity, viability, and effectiveness of the cap and floor mechanism, the REA has organised its contributions in alignment with the questions presented in the Open Letter document. Our inputs are detailed below.

Question 1: We have outlined an ambitious timeline for Window 1. Do you have any comments or suggestions on how we can streamline application submissions by developers and our project assessment process to make it more efficient?

The REA appreciates the ambition demonstrated by Ofgem and DESNZ for Window 1. To ensure its success, the REA proposes the following recommendations to streamline the application and assessment processes:

1. **Enhanced stakeholder engagement:** The REA strongly encourages the continuation of stakeholder engagement with all market participants. This should include the provision of detailed pre-application guidance documents and, where possible, workshops or

webinars. These resources will help developers understand requirements and avoid common pitfalls, fostering a smoother application process.

2. The development of a digital submission portal: Establishing a centralised digital portal for application submissions would improve efficiency. Such a portal could enable real-time tracking of application status, automated data validation, and ensure submissions adhere to a standardised format. This would enhance consistency and completeness across all applications.
3. A comprehensive analysis of system needs: Conducting further analysis to assess the ability of existing project pipelines to address specific system needs—such as geographic location and grid constraints—would be invaluable. Additionally, publishing a clear methodology for incorporating scenarios like extreme weather events and evolving demand profiles would provide developers with a robust framework to align their projects with system requirements.
4. Clarity on future rounds: The REA recommends setting out the planned frequency of rounds, the approach to defining indicative capacities in each round, and the processes for awarding cap and floor contracts in the future. Providing this information will give developers greater visibility and confidence, enabling them to plan and align their projects with upcoming opportunities.

Question 2: Do you have any comments on our proposed approach to split Window 1 into two distinct delivery tracks?

The REA and its members are broadly supportive of the proposed approach to split Window 1 into two distinct delivery tracks. We recognise the necessity of prioritising projects capable of delivering by 2030, while also ensuring a robust pipeline of projects for deployment beyond 2030. We appreciate that the high-level assessment principles and eligibility criteria for each stream remain under review.

To further strengthen the proposed approach, we recommend the following considerations:

1. Clear and transparent eligibility criteria: It is crucial to establish unambiguous criteria to distinguish projects eligible for each track. This clarity will help developers align their submissions with the appropriate stream and minimise the risk of disputes or inefficiencies in the assessment process.
2. Resource allocation and developer impacts: Ofgem should carefully assess how the split might impact resource allocation among developers, particularly smaller developers or those working on innovative technologies. This evaluation should ensure that the split does not inadvertently create barriers to participation or skew resources toward one track over another.
3. Overlap and competition between tracks: The potential for overlap or competition between tracks should be explicitly evaluated. This includes considering how resources, market signals, or policy incentives might shift between the two streams, and whether this could lead to inefficiencies or delays in project delivery.
4. Balancing speed with pipeline quality: One of the REA's members has highlighted the importance of considering project and technology development lifecycles. This is essential to enable a high-quality, diverse, and resilient pipeline of LDES projects that

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deliver benefits through 2030 and beyond, at the least cost to consumers. With the timeline now extending to 2033 in Window 1, the assessment process must balance the urgency of delivering projects by 2030 with the recognition that some technologies may mature further and become more competitive over time. This will help ensure the procurement process remains optimal.

5. Mitigating risks of gaming and overstatements: There is a risk that some projects might overstate their ability to achieve commercial operation dates (COD) by 2030 to meet prioritisation criteria.
 - To mitigate this risk, the REA recommends introducing penalties for projects that fail to reach COD within a reasonable timeframe following a cap and floor contract award.
 - Similarly, phased projects, where the first phase aligns with Clean Power 2030 goals, should not be allowed to leverage their status to secure support for less-developed subsequent phases unless clear milestones and accountability are established.

6. Ensuring equitable assessment for longer-term projects: For projects targeting later CODs (e.g., by 2033), Ofgem should consider how pre-qualification requirements, if strictly applied by Q2 2025, might exclude technologies or projects that could still deliver significant system benefits. Providing flexibility for these projects, where appropriate, will support a more balanced and innovative LDES pipeline.

Question 3: Do you have any comments on our proposed approach to assessing deliverability?

The REA would like to highlight that deliverability assessments should balance the need for thoroughness with avoiding unnecessary delays. Criteria needs to include financial viability, technical readiness, supply chain robustness (where possible) and project governance structures (if needed).

Question 4: Do you agree with our approach of requiring planning consents before starting project assessment, and of asking for evidence of submitted planning applications and expected decision dates to avoid speculative projects?

The REA understands the importance of requiring planning consents as a pre-condition to avoid speculative projects. However, overly stringent pre-qualification criteria could create unnecessary barriers, erode competition, and limit value for money. The REA would be interested to hear additional feedback from Ofgem on this from other stakeholders.

LDES projects are complex and often represent first-of-a-kind technologies. Setting high pre-qualification requirements could risk excluding innovative developers and technologies. We recommend a staged approach to pre-qualification, where initial criteria serve as a reasonable filter, with more detailed conditions applied before cap and floor contracts are awarded. A more flexible pre-qualification process may ensure greater participation, encourage innovation, and still allow Ofgem and the Government to be confident in project deliverability.

Question 5: For stream 1 only, if your project would be affected by an increase in the minimum duration requirement to 10 hours, would you re-scope the project to meet the new requirement or discontinue it?

Members of the REA and its Working Group have expressed concern that the 6-hour minimum duration for projects to be eligible is too low yet believe that 10 hours would be too high. Raising

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the threshold to 8 hours would see greater alignment with global definitions, address system needs, future proof the policy, and help minimise fragmentation of effort. Please see below.

a. Aligning with global definitions, standards and best practices:

- **Global consistency:** Aligning the UK's definition with other leading countries (such as the USA, Australia, and Canada, where the threshold is often 8 hours or more) would facilitate greater international cooperation and investment in LDES technologies. Standardising the definition could help attract global players to the UK market, while also ensuring that UK technologies are competitive when exporting to or operating in international markets. The UK would be well-positioned to lead in global LDES markets if it adapts its policies to match global trends.
- **Easier access to funding:** Raising the threshold to align with global standards could unlock new investment opportunities. Many international investors and funds targeting LDES projects may be more likely to support the UK's storage sector if its policies align with those of other leading markets. This would help foster a competitive technology landscape, potentially driving down costs and accelerating innovation.

b. Strengthening grid resilience and accelerating renewable integration:

- **Grid stability:** Raising the duration to 8 hours or more would better address the longer-term variability in renewable energy generation (e.g., during extended periods of "Dunkelflaute" where there is low wind and solar output). Systems capable of discharging for longer periods are better positioned to provide stability when there are long gaps in renewable generation, such as in winter months (seasonal demand variability) or during extreme weather events.
- **Accelerating renewable integration:** Longer-duration storage supports higher levels of renewable energy integration, as it provides the ability to store energy generated during times of excess renewables and release when needed. This enhances the flexibility of the grid during both peak and off-peak times, ensuring the grid has enough backup power during critical periods. This could be crucial for achieving energy security in the UK.

c. Aligns with future energy scenarios:

- **Energy demand growth:** as electrification of heat, transport, and industry accelerates, the need for longer-duration solutions will grow. A higher eligibility criterion would future proof the scheme and ensure projects meeting emerging and evolving energy needs. Long duration flexible capacity (capacity that can be increased or decreased so that supply matches demand and which is able to run for prolonged periods) will remain vital for security of supply. The NESO estimates that the GB electricity system could require 40 to 50GW of long duration flexible capacity in 2030.
- **Future proofing the cap and floor scheme:** Raising the eligibility duration now would help the UK future-proof its energy storage policies, ensuring that they remain effective as energy systems evolve and new challenges emerge.

d. Providing economic and consumer benefits:

- **Longer-duration systems can offset the need for multiple short-duration projects,** potentially reducing the overall system cost in the long run. Additionally, longer-duration storage systems tend to be more cost-effective on a per-unit energy basis over the long term. By increasing the minimum duration, the UK could focus on solutions that deliver economies of scale and greater system efficiency, helping to reduce overall electricity costs for consumers. The Government's estimates of £24 billion in savings by 2050 from deploying 20 GW of LDES could be more achievable with a focus on longer-duration solutions.

e. Prevents fragmentation of effort:

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- Setting a higher duration threshold would ensure public funds, private funds and regulatory support are concentrated on projects that deliver the most value, avoiding dilution of resources across less impactful projects.

Given the above, the REA and its members want to highlight that whilst we support increasing the minimum duration to 8 hours, any increase, especially up to 10 hours, may result in significant redesign of projects, or even discontinuation. Additionally, Ofgem could consider transitional arrangements or exemptions for projects already well-advanced under the previous requirement.

Question 6: Do you have views on the potential differences in system and consumer benefits between longer and shorter minimum duration requirements, including how these differences might affect LDES asset operation?

In general, the REA acknowledges that longer duration requirements could offer greater system stability and peak demand management. Whilst shorter durations might support specific niche applications, such as frequency response, but might not deliver comparable system-wide benefits. We believe that additional research should be undertaken here.

Question 7: Do you agree with our initial view to not require detailed evidence for TRL9 projects?

The REA agrees with requiring less detailed evidence for TRL9 projects, given their advanced technological readiness. At this stage, these projects are well-established, with a proven track record, and do not require the same level of documentation as earlier TRLs.

While we support a streamlined approach, we emphasise the importance of ensuring a minimum level of documentation for verification purposes. This ensures that TRL9 projects meet the necessary criteria without placing unnecessary burdens on developers.

Overly detailed requirements for TRL9 projects could delay the application process and add costs, potentially deterring participation. A more efficient, simplified process will allow these projects to move forward quickly, contributing to the timely achievement of national energy and decarbonisation goals.

Question 8: If you are a potential stream 2 applicant, what information do you think you would need to provide to demonstrate TRL 8 status?

On behalf of the industry and our members, we believe that the following information could be appropriate to provide to demonstrate TRL 8 status:

1. Test results and performance data: Applicants should provide detailed test results from trials, demonstrating that the technology has been validated under real-world or near-commercial conditions. This could include performance metrics such as efficiency, capacity, and reliability, as well as how the system has performed in a full-scale or near-full-scale environment.
2. Prototype demonstrations and system integration: Evidence that the technology has been successfully demonstrated through prototype systems or at full scale in relevant operational settings is crucial. Applicants should show that the technology has been integrated with other systems and performs effectively within the intended operational context, such as integration with energy grids or industrial systems.

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3. Risk mitigation and operational readiness: Applicants should outline how any identified risks have been mitigated and demonstrate that the technology is stable and ready for commercial deployment. This may include risk management reports, safety assessments, and reliability evaluations, as well as evidence that the technology has passed operational stress tests.
4. Regulatory and certification compliance: Demonstrating that the technology has met or is on track to meet necessary regulatory approvals and certifications will be important. Applicants should provide evidence of progress towards obtaining such approvals or any certifications already secured, ensuring compliance with industry standards.
5. Independent validation: Independent validation or third-party assessments from reputable organisations that confirm the technology is at TRL 8 would strengthen the application. providing assurance of the technology's readiness for deployment.
6. Deployment roadmap and scalability: A clear plan for scaling the technology and moving from the demonstration phase to commercial deployment should be included. This roadmap should outline timelines and strategies for scaling, as well as any existing commercial contracts or partnerships that indicate the technology is market ready.
7. Documentation of prior development stages: Applicants should also include a history of the development process, highlighting key milestones that demonstrate the technology has successfully progressed through the lower TRLs (i.e., from concept through testing and validation).

It would be beneficial if clear guidance is provided on the types of evidence that would be acceptable to demonstrate TRL 8 status. This will help reduce uncertainty and ensure consistency in the application process, ensuring all applicants understand the documentation and verification standards required.

Question 9: How might we include significant refurbishments that expand the capacity or change the purpose of existing LDES assets? What criteria and processes would ensure these refurbishments provide comparable benefits to new projects?

The REA believes that significant refurbishments should be eligible for inclusion in the LDES framework, provided that they meet clear criteria to ensure that the refurbishment results in a genuine increase in capacity, efficiency, or functionality, comparable to new projects. The following criteria and processes would ensure that refurbishments provide comparable benefits:

1. Capacity or functionality improvements: Refurbishments should demonstrate a significant contribution to additional LDES capacity. This could be measured as a percentage increase in capacity or through an improvement in operational efficiency. Establishing clear benchmarks for these improvements will ensure that refurbishments contribute meaningfully to system capacity, rather than simply maintaining or marginally improving existing services.
2. Economic and technical criteria: Refurbishments and changes in use should be assessed against the same economic and technical criteria as new projects. This includes performing a cost-benefit analysis to ensure that the refurbishment offers value for money and delivers clear benefits in terms of system integration, cost efficiency, and capacity expansion. It is critical that refurbishment projects face the same scrutiny to ensure they provide comparable benefits to the system as entirely new developments.

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3. Deliverability assessments should account for the unique challenges posed by refurbishments, including unforeseen costs, technical hurdles, and the complexities involved in altering or upgrading existing infrastructure. Refurbishment projects may face additional risks or unexpected challenges, and these should be considered when evaluating their viability and overall project timeline. A careful assessment of the risks and uncertainties is crucial to ensure that refurbishment projects are just as feasible and reliable as new projects.
4. Accurate cost estimates and fair competition: To ensure a level playing field between refurbishments and greenfield projects, accurate cost estimates should be required for refurbishments. The cost of refurbishments may differ due to the complexities of upgrading existing assets, and these estimates should be scrutinised to ensure they are realistic and comparable to those of new projects. This will ensure that the cost/benefit analysis used to prioritise projects is fair and considers both types of projects equitably.

Question 10: What are your views on the proposed CBA approach for the LDES cap and floor regime? Are there additional factors or impacts that you believe should be considered in the CBA?

Overall, the REA agrees with the inclusion of a wider Cost-Benefit Analysis (CBA) approach for the LDES cap and floor regime. We believe that the CBA should not only focus on the direct costs and benefits of individual projects, but also incorporate wider economic and societal benefits. This broader analysis will ensure that the full value of LDES assets is captured, including their contributions to grid stability, decarbonisation, and broader consumer benefits.

Some additional factors and impacts that could be considered include:

1. Consumer benefits and electricity system impacts: Whilst already highlighted, the CBA should account for consumer benefits that arise from the overall improvements to the electricity system, particularly in terms of reduced costs, enhanced grid reliability, and increased renewable energy integration. The positive impacts on the electricity system should be considered over the full project term, ensuring that the CBA reflects the value LDES projects bring to consumers through more affordable and stable energy prices.
2. Broader economic and societal benefits: In addition to consumer savings, the CBA should also capture the wider economic and societal benefits of LDES assets. This includes overall decarbonisation effects, job creation, and local economic development, as well as the positive impact on energy security and resilience. The inclusion of these factors will provide a more comprehensive understanding of the long-term value that LDES projects bring to society.
3. Sensitivity analyses: These should be included to account for varying market conditions and policy scenarios over the life of the project. This would help to assess how changes in energy prices, regulatory frameworks, or technological advancements might affect the viability and benefits of LDES projects.
4. Project duration and lifetime benefits: The CBA should account for the long-term nature of LDES projects by considering benefits over the entire lifetime of the asset. The evaluation should look beyond the contract period and incorporate long-term value, ensuring that projects are assessed holistically, with both upfront and ongoing benefits in mind.
5. Geographic diversity for security of supply: The CBA should consider the value of geographic diversity in the location of LDES assets, as this can enhance system

resilience, security of supply, and flexibility. A diverse range of asset locations helps mitigate risks and provides a more reliable and stable energy grid.

6. Reduction in curtailment of renewables: LDES assets can reduce the curtailment of renewable energy, leading to cost savings for consumers and improving overall system efficiency. The CBA should include the reduction in curtailment and its impact on lowering the cost of energy, which ultimately benefits consumers.

Question 11: Do you have any views on the proposed approach to project cost assessment?

The REA generally agrees with the proposed approach to project cost assessment, with a particular emphasis on adopting a transparent and standardised methodology. We believe that this will help ensure consistency across applications and increase confidence in the process. However, there are several key considerations to ensure the cost assessment process is fair whilst still effectively promoting innovation:

1. Contingency allowances for innovative technologies: It is important to include contingency allowances for projects that involve innovative technologies with higher uncertainty. These allowances would provide developers with a reasonable buffer to accommodate unforeseen costs related to technological challenges and market changes. This will ensure that projects are not penalised for dealing with higher risk factors inherent in pioneering solutions.
2. Incentives and risk of gaming: While we support the incentive structure to encourage developers to meet milestones and manage their budgets effectively, we believe there should be safeguards in place to avoid gaming risks. Developers may set initial targets that are overly conservative in order to exceed those targets later and appear more efficient. The cost assessment framework should account for this potential behaviour and ensure that targets are realistic and based on reasonable assumptions.
3. Timely project delivery and milestone management: We agree that it is essential for developers to adhere to agreed-upon project timelines. Clear safeguards should be put in place to ensure projects are progressing as planned. However, there should also be provisions for extensions in circumstances beyond the developers' control, such as supply chain delays or regulatory hurdles. A balance must be struck to maintain project integrity while allowing flexibility for unforeseen challenges.
4. Backstop date and allocation round timing: We recognise the importance of expediting the first allocation round to meet Clean Power 2030 targets. However, the backstop date needs careful consideration to ensure it is aligned with the timelines for projects. For the first allocation round, a tighter backstop date should be implemented to ensure that 2030 projects are prioritised and do not face delays due to projects aiming for a 2033 commissioning date. The backstop date should clearly separate projects targeting 2030 and 2033 to ensure that both timelines are respected, thus ensuring a balanced and timely deployment of projects.

Question 12: What are your views on the calibration of the cap and floor levels? Do you consider setting the floor at, for example, 80% of projects' costs is a viable model for LDES assets, potentially alongside a higher cap?

The REA highlights the importance of setting the cap and floor levels to reflect realistic cost and revenue projections, ensuring that the mechanism effectively supports project viability while fostering investor confidence.

The REA supports the proposal to calibrate the floor at 80% of project costs and sees this as a reasonable approach to risk mitigation. This provides a sufficient safety net for developers while ensuring that projects are financially viable and sustainable. However, we believe that the calibration approach can be simplified further and should focus primarily on market revenue and related costs, such as charging, rather than trying to evaluate full project costs.

Rather than evaluating the entirety of the project costs, a more straightforward approach should focus on market revenue and costs directly related to the operational and commercial aspects of the project. The calibration of the floor can then be assessed as part of the Cost-Benefit Analysis (CBA), ensuring that the price floor aligns with the long-term viability and market conditions.

The floor should be set at a level that provides certainty to lenders and enables developers to secure the necessary project debt. This is essential for ensuring that projects can move forward with the required financing and reach construction and operational stages. The onus would be on developers to ensure their bids reflect a sustainable model that can support the necessary debt service while remaining viable over the project's lifetime.

A higher cap could incentivise greater investment, driving the development of more robust projects. However, it is crucial that the cap does not result in excessive profits at the expense of consumers. A careful balance should be struck to ensure that while projects are incentivised, the benefits of LDES assets are fairly distributed, and the cost burden on consumers is minimised.

While setting the floor at 80% is a sound starting point, the cap and floor levels should be periodically reviewed to ensure they remain aligned with market conditions and project realities. This review process will help ensure that the cap and floor mechanism continues to incentivise projects while maintaining fair value for consumers and fostering long-term market stability.

Question 13: Do you support exploring methods to lower consumer costs, including more use of competitive mechanisms when setting cap and floor rates? If you have any suggestions on how we can improve the cap and floor setting using a competitive process, please share them with us.

The REA supports the idea of exploring methods to lower consumer costs through the use of competitive mechanisms when setting cap and floor rates. Competitive processes can drive innovation, improve efficiency, and ultimately reduce costs for consumers while ensuring the continued development of high-quality LDES assets. Please find some thoughts below:

1. **Introducing competitive mechanisms:** Competitive bidding mechanisms, where developers compete based on their proposed cap and floor rates, could lead to cost savings by encouraging developers to propose more efficient and cost-effective solutions. This competition could result in more competitive pricing and better value for consumers, driving down the overall cost of LDES infrastructure. However, we understand that this could be controversial.
2. **Targeted use of competitive processes:** Competitive processes should be targeted to the most appropriate projects and stages of development. For instance, competitive bidding could be applied to the initial cap and floor rate setting for a project's first phase, while subsequent phases could be subject to a more predictable, regulated approach to ensure stability. This would allow both flexibility and the potential for competitive price reductions while balancing risks to developers and ensuring deliverability.

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3. **Avoiding market distortions:** It is important to ensure that the competitive mechanisms do not distort the market or create unintended barriers for new entrants. While competition can lower costs, there must also be safeguards to avoid a race to the bottom that could result in underinvestment or insufficient returns, ultimately jeopardising project quality or long-term sustainability.
4. **Transparency and clear guidelines:** To make the competitive process fair and effective, it is crucial to ensure transparency in how the competitive bids are evaluated. Clear guidelines and criteria should be in place to assess bids, ensuring that the selected projects not only offer competitive rates but also meet all technical, economic, and deliverability requirements. This will help provide assurance that projects will be completed successfully without sacrificing quality or the wider system benefits.
5. **Balancing risk and reward:** Competitive bidding mechanisms should strike a balance between rewarding innovation and managing risks for developers. There should be a fair and transparent evaluation process that considers both the developer's ability to deliver on time and budget, as well as the longer-term benefits of their proposals. This approach will help ensure that competitive mechanisms deliver value for consumers without compromising project feasibility.

Question 14: Do the potential benefits of allowing LDES assets to be managed by in-house trading teams outweigh the potential risks? How can we effectively mitigate any potential risks of gaming, such as manipulating trade bookings or market manipulation?

The REA recognises the potential benefits of allowing in-house trading teams to manage LDES assets, as this approach could offer greater flexibility, responsiveness, and potentially reduce operational costs. However, it is important to carefully balance these benefits with the potential risks, particularly the risks associated with market manipulation or gaming, such as manipulating trade bookings.

While the potential benefits are clear, there are inherent risks of gaming and market manipulation associated with in-house trading operations. To mitigate these risks effectively, several safeguards should be implemented:

1. **Increase transparency in trading operations:** A key measure to reduce the risk of gaming is to increase the transparency of in-house trading operations. This could involve implementing more stringent reporting and auditing requirements, ensuring that all trades are documented and subject to review. Real-time monitoring of trades can help identify irregularities early, allowing for timely intervention if manipulation is suspected.
2. **Alignment with REMIT regulations and additional safeguards:** It is crucial to ensure that in-house trading teams adhere to the existing REMIT regulations (Regulation on Wholesale Energy Market Integrity and Transparency) to prevent market manipulation, insider trading, and other unfair practices. These regulations are already designed to promote transparency and fairness in the energy markets. Furthermore, additional safeguards should be put in place, such as independent audits and regular compliance checks, to ensure that trading practices align with both regulatory standards and the broader goals of fair competition.
3. **Specific metering points and clear allocations of shared infrastructure:** To ensure fairness and prevent manipulation of shared resources, clear definitions of metering points and proper allocations of shared infrastructure are critical. These metrics should be based on actual usage and should be tracked to ensure that the LDES project receives the correct

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share of the infrastructure, without any intentional manipulation of energy flows or market behaviour. Implementing such measures will help ensure that trading decisions are aligned with actual system needs and energy delivery.

4. Independent oversight: To further ensure the integrity of in-house trading, independent oversight by a regulatory body or an external auditor could provide an additional layer of accountability. This oversight would help prevent the potential for manipulation, ensuring that trading activities are conducted transparently and in compliance with established rules.

We trust these responses provide valuable insights into the key questions posed. Should you require any further clarification or have additional questions, please do not hesitate to contact us at fcullaney@r-e-a.net or policy@r-e-a.net. We look forward to continuing our engagement with Ofgem and contributing to the successful development of the LDES cap and floor regime.

Yours faithfully,

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