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By email

20 January 2022

Dear Sarah

MOSL's proposed business plan 2022-25

I would like to take this opportunity to respond to MOSL's consultation and confirm Ofwat's support for your proposed 2022-25 Business Plan.

Ofwat supports MOSL's purpose and vision for the market as set out in the Business Plan. We agree that MOSL has made strong progress delivering on previously agreed business plan commitments over the course of the last year, including by launching the new Bilaterals hub and establishing the new Strategic Panel. Ofwat also fully supports the work that MOSL is doing with the Market Performance Committee (MPC) to introduce a more holistic approach to monitoring Trading Party performance, including the introduction of Additional Performance Indicators (APIs).

We agree that the five improvement programmes identified in the Business Plan are the right areas of focus to resolve market frictions and to support the development of a business retail market that can create value for customers, society and the environment.

Ofwat has been clear that we see 'root and branch' reform of the Market Performance Framework as a key strategic priority. Aligning the incentives of Trading Parties with those of customers can ensure the market delivers outcomes that benefit current and future customers. We therefore agree that additional funding is required to deliver this important improvement programme.

We hope to see all market participants engage constructively with MOSL on its proposed 2022-25 Business Plan, with a clear focus on - and associated resource dedicated to - improving the operation of the market for customers.

Yours sincerely



Emma Kelso
Senior Director – Markets & Enforcement