BEAMA Consultation Position

Load Control Licence DESNZ Consultation Feb 2026

BEAMA welcomes the opportunity to respond to this consultation on the implementation of a load control licencing regime as part of the Smart Secure Electricity Systems (SSES) Programme.

Our role

BEAMA represents manufacturers across heating, EV charging, appliances, electronics, and wider electrical infrastructure. With deep experience in standards, regulation, and security, BEAMA is well placed to support government and industry in shaping governance that is practical, inclusive, and future proof.

Position Summary

The consultation is crucial in establishing a workable baseline from which the cyber security of energy smart appliances and their companies' systems and processes are resilient to cyber-attacks and makes them less easy targets for malicious actors.

Overall BEAMA and its members are supportive of the implementation of a licencing regime.

However, we have expressed concerns to date regarding what businesses are actually in scope of the regulations and have yet to receive an adequate response, and therefore we are unable to fully understand the impact of these regulations.

We have highlighted in our response the need for additional clarity frequently. We have also underlined that businesses will face additional costs beyond what is estimated in the impact assessment. It is highly likely that additional staff for example will be required for flexibility service providers to fulfil the new customer requirements as well as potentially staff training.

Whereas we believe that the timelines presented are sufficient (in theory) we are concerned that for those with 300MW or more of aggregated load that they will have less time to understand the requirements expected of them regarding CAF, with a consultation to come later this year on it.

We have also commented on how elements of the ESA Regulations 2026 as currently drafted may negatively impact on consumer experience and result in an increase in complaints that could arrive to the Ombudsman. Should the Ombudsman see reason for taking the case (which they shouldn't) then the business complying with the regulations would have to pay the Ombudsman for complying with the regulations. This is problematic.

Lastly and importantly, we emphasise that the Security Governance Group should not have the power to review licence applications. Licence applications should continue to be reviewed by professional, trained individuals in Ofgem with experience over this. We see no reason why competitors should review each other's work. Should DESNZ decide this is necessary then we would encourage DESNZ to consider forming a group without businesses applying for the licences in the group, namely trade associations with staff that have demonstratable knowledge regarding the scope of the review.

BEAMA's SSES Programme work

You can find BEAMA's response to each question of the consultation in the document below.

We are heavily engaged with the development of the SSES Programme.

If you wish to discuss the SSES programme with us, please contact us via our website or learn how we can support and represent your company through BEAMA membership.

BEAMA Consultation Questions Response

Question 1

With reference to regulation 4 and inserting new sub-sections (3J)(a) and (3K) into section 4 of the Electricity Act 1989, do you agree with the proposed load controller licensable activity, noting that it distinctly captures organisations creating a load control signal, changing a load control signal, and controlling the timing of sending a load control signal where controlling the timing of sending a load control signal is for the purpose of effecting load control?

Please explain your answer and if you disagree provide alternative suggestions.

At this present moment in time the definitions provided in regulation 4 are not sufficient to provide clarity to members on whether they fit the definitions. We understand the intent of the wording is to categorise by action rather than business type. However, there remain gaps in the definitions which raise questions. For example, a business may have the potential to perform one of the functions defined as requiring a load control licence but may not perform these functions and enables the energy supplier to do so instead. However, should they suffer a cyber-attack the risk remains that the aggregated load could be interfered with. It is not clear in this instance as they are choosing not to perform any of the defined logics for a load control licence if they are in scope or not. This information should be reflected in section 3(K).

We therefore suggest Government amend the definition as follows: Specify that a licence is required only if the purpose of the load control signal is to effect load balancing, constraint management or other optimisation of the electricity supply (generation, transmission or distribution). The current definition of load control includes signals and data sent to energy smart heating appliances to modify their load profile (especially for charging of thermal storage appliances) for the purpose of enhancing the performance or running costs of individual appliances, with no regard to system constraints or the balance of supply and demand on the grid.

This would lead to many manufacturers' ESA "add-ons" (as defined in the draft ESA Phase 1 regs) being required to both meet ESA regulations and to hold a Load Controller Licence. This would double-up on cyber security requirements and would incur significant costs (hundreds of thousands of £ per year per add-on) with no way to recover these costs (as these manufactures are not partaking in the flexibility market directly – they are not offering a chargeable service to the DNOs or NESO or suppliers).

We understand additional guidance will likely be published at the time of the next consultation on the Tier 1 CAF Profile. However, an ongoing trend with SSES as a whole is this does not allow sufficient time for businesses to incorporate the required changes into their budgets which will be decided ahead of the new financial year. This guidance should have been published alongside this consultation. For Phase 2 of SSES it is essential that practices change to reflect the realities of business operations and ensuring that scopes are well defined ahead of publication to ensure that businesses can make informed decisions on investment required to meet future regulations.

Additionally, the proposed scope of load controller licensable activity may have unintentional consequences. Such activity is already inherent in the feature set of many ESAs. Customers have come to expect their ESAs to be supplied with basic load control and scheduling features, such as optimising for tariffs. Retrospectively requiring these product features to be "licensed" (and therefore contracted) is likely to lead to their removal from ESAs. The adverse consequence will be stifled product innovation and placing a new dependency on licensed third parties to provide replacements for such features. This will reduce flexibility and increase costs for consumers.

In addition, we have specific concerns about standalone HEMS products.

HEMS should not be in scope unless they manipulate ESA loads to impact load balancing, constraint management or other optimisation of the electricity supply system. Otherwise, they should be considered whole-home ESAs or ESSA Managers – normally they do not aim to balance the grid, but to optimise home energy use for running costs and comfort. They could be in receipt of load control signals (e.g. whole home consumption limit profiles, time of use tariff data) but they would then aim to respond to these signals for the benefit of the occupants, not the energy system.

Question 2

With reference to regulation 4 and inserting a new sub-section (3J)(b) into section 4 of the Electricity Act 1989, do you agree with the proposed FSP licensable activity?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA see with 3J (b) is consistent with the approach of government to define by activity rather than organisation. However, further clarity could still be required on scope and ensure that the framework considers how it can unintentionally capture OEM manufacturers who are not the contracting party. Furthermore, it must be expanded to recognise that there are likely to be multiple ESAs in each premises and that the interface to those ESAs could be via a HEMS or other ESA manager which distributes load among the appliances to meet the consumer's needs and priorities.

Some members have also highlighted that the Electricity Act 1989 is not an appropriate legislative location for these regulations, as it is not what the Act was meant for. Instead, regulations concerning a product should be in relevant product standard legislation, as is the case for CE marking in the EU. We would support this viewpoint overall, as regulation should be proportionate and appropriate for the products under scope and there may be more appropriate legislation on which to fix the desired outcomes of this consultation.

Question 3

With reference to regulations 4 (amending section 4 of the Electricity Act 1989) and 6 (amending section 6 of the Electricity Act 1989), do you agree with the rest of the proposed drafting to make load control a licensable activity and authorising Ofgem to grant load control licences?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

No, as per our previous answers load control licencing must only include those signals intended to influence ESA loads to effect load balancing, constraint management or other optimisation of the electricity supply system.

But, overall, BEAMA support the intent of the regulations recognising the purpose of the regulations is to protect the grid from cyber-attacks that also put consumers at risk. It is critical that the regulations provide enough clarity to allow businesses enough time to prepare. Businesses want to comply but need greater certainty on how to. We are supportive of Ofgem authorising the load control licences given they have the experience of doing so already. Ofgem will be able to start straight away and have experienced staff on hand to deal with the technical challenges and queries that businesses will likely face and have as they go through the process of achieving compliance.

However, we are concerned that the approval of licence applications will be in part managed by a new Security Governance Group. This group would be formed of experts but also competitors. Members are concerned that competitive information would be shared in scrutinising applications. It would also provide competitors with the chance to delay one another. Although this may not appear likely, it does leave this risk open. If Government and Ofgem are certain that this is the right approach, which we are not, then we would advise that Trade Associations who can provide a neutral view would be best placed to sit on this group rather than individuals from private businesses.

Indeed, it would appear more sensible if Ofgem are to administer this in year one to continue to allow them to do so thereafter uninterrupted to ensure consistency in processes, application time windows etc. The logistical likelihood of getting a number of private businesses together on a regular basis to oversee application is unlikely to occur sufficiently to handle the number of applications that are to come in thereafter. Finally, it is also imperative to align enforcement with confirmed ESA technical standards and companion specifications before licence obligations become binding.

Question 4

Do you agree with the ESA definitions outlined in this section and the intent to align the ESA definitions of the exemptions order with first phase ESA regulations (where applicable), noting that organisations will need to identify whether they are required to hold a licence based on the scope and definitions outlined (although, please also note it is only load controllers and FSPs that exclusively undertake out of scope activity that will not require a licence)?

If not, please specify the definitions you disagree with, alternative suggestions or ways to mitigate your implementation concerns and your rationale.

BEAMA does not completely agree with the definitions provided noting that these views are consistent with our response to the ESA Regulations consultation. In particular, we note the need for changes to definitions to:

Electrical Heating Appliances:

Heat Pumps: Members have expressed concern over bringing heat pumps up to 45kW into scope, which are very unlikely to be installed in domestic premises. Often, they would be a cascade of appliances where it would be unnecessary to have multiple ESA heat meters and could be more expedient at a aggregated system level. Therefore, a scope closer to 20kW maximum would be of greater use in covering the domestic sector but not compromising the non-domestic sector with additional cost and components that would not add value to the system or the consumer.

Standalone direct electric hot water cylinders: We suggest inserting the word “domestic” prior to “hot water” throughout the regulations. This would be consistent with the terminology commonly used in the sector and avoid unnecessary confusion. This will also ensure that there is a clear differentiation between the hot water which circulates for “the purposes of space heating” and the hot water which is “distributed to taps” within the house.

Centralised Smart Heating Device: BEAMA members highlight that the term “centralised space heating device" as used in 4.(5)(e)(i) and 4.(6) of the Energy Smart Appliances Consultation and in the ESA/ESA Characteristics table in this consultation is not a term often if ever used by industry. We expect this is in reference to a "central heating system". BEAMA suggest references to centralised smart heating device is amended to a central heating system.

We ask for consideration of innovation of future technologies and also a consistent definition of ESA alignment between all governance, policy and legislations to avoid confusion.

Electric Vehicle Charging:

We would also like to understand the decision to include Electric Vehicles in these regulations but not the ESA Regulations. There should be consistency across both. And we would strongly suggest the gap left by the ESA Regulations on EVs is in someways addresses, as per our response to the ESA consultation.

Question 5

Do you agree with using the small business consumer definition to determine the additional consumer-based exemption for FSPs?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA broadly supports this as a practical and familiar starting point. However, from a manufacturer and flexibility-ecosystem perspective, the real-world application is more complex than the definition alone suggests. Many flexibility-enabled assets sit within mixed-use environments or are aggregated across portfolios that include domestic properties, micro-businesses, landlords, social housing, and small commercial premises. In these cases, a binary boundary risks:

- Inconsistent treatment of similar consumers.
- Uncertainty for FSPs structuring propositions.
- Indirect design and compliance impacts on manufacturers supplying interoperable ESAs.

BEAMA suggest the following recommendations to mitigate the above;

- Provide clear aggregation and portfolio guidance, including how the definition applies where domestic and small-business assets are combined within a single flexibility service.
- Publish worked examples covering common real-world scenarios (e.g., landlord-owned properties, micro-business at a domestic address, small mixed-use buildings).
- Ensure consistent interpretation across SSES instruments, so the same consumer is not treated differently under licensing, ESA compliance, or complaints frameworks.
- Keep the definition future-proof, recognising that new flexibility business models may blur traditional domestic/non-domestic boundaries.

Question 6

Do you think government should consider any further exemptions?

If so, please specify which exemption(s), the approach you would take to the exemption(s) and your rationale.

At this moment it is unclear with the definitions provided which businesses may be in scope despite the carefully worded definitions based on actions. Unfortunately, we therefore are not able to accurately make representations on exemptions. OEM manufacturers and technology providers that enable flexibility but do not dispatch or contract for services need to be considered.

Question 7: Do you agree with a 12-month transitional period being written into legislation?

Please explain your answer and if you disagree, provide alternative suggestions.

Overall, BEAMA would be supportive of a voluntary process, aligning with our ask in the Energy Smart Appliances Regulations that extends to 24 months. This will allow Energy Smart Appliance Regulations manufacturers who are only now able to fully appreciate the full extent of the obligations being put on them to have sufficient time to hit operational maturity. With the ESA regulations coming into force parallel to these regulations there is already significant burden on manufacturers, and some smaller operators will need longer than 12 months to fully transition.

Question 8

With reference to regulations 8-15 and Schedule 1 do you agree with the proposed amendments to the Electricity Act 1989, the Utilities Act 2000 and the Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) Regulations 2019, noting that Ofgem are separately consulting on the detail of the load control licence application form?

Please explain your answer and if you disagree provide alternative suggestions where relevant.

Yes, this provides a sensible legal foundation but there is a risk in understanding how this will sit in **practice** and how it will operate. If application, evidence, or reporting requirements become overly complex or duplicative, this could slow innovation, increase costs, and limit participation – becoming unhelpful and could reduce consumer choice and available flexibility. Suggestions below;

- Keep the **licence process proportionate and streamlined**, focused on outcomes rather than documentation.
- **Ensure that there is no duplication from other areas for** cyber and product frameworks.
- Provide **clear early guidance from Ofgem** so organisations across the supply chain can plan with confidence.

Question 9

With reference to regulation 16 and Schedule 2, do you agree with the approach to bring FSPs within scope of the existing statutory framework to regulate complaints handling standards and ADR, noting that this: a. Will require FSPs to comply with regulations 1 -7, and 11 of The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008; b. Will require FSPs to participate in the Energy Ombudsman ADR scheme.

Please explain your answer and if you disagree provide alternative suggestions.

The move to bring FSPs into the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008; and requiring FSPs to participate in the Energy Ombudsman ADR scheme is of concern. Members will have to spend significant resources in hiring new staff and training staff up to achieve this. Some members may already have existing call centre staff who would be able to support customers, but they are unlikely to be able to provide the level of support required by these regulations. The availability of training required to hit these regulations is unknown and may take time to implement.

For the Ombudsman requirement businesses will also likely have more complaints, particularly around randomised delay as products are rolled out, as occurred with the Smart Charge Point Regulations. Where a dispute cannot be settled or a customer is unhappy with a business for implementing randomised delay then an ombudsman case could arise which would unfairly penalise a business for compliance with the regulations as a fee would be owed to the Ombudsman regardless of the result.

Question 10

With reference to paragraph 2(3) of Schedule 2 of the draft regulations, do you agree that regulation 9 of The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008 should not apply to FSPs until a future time when government and Ofgem deem it appropriate to extend consumer advocacy services to this market?

Please explain your answer and if you disagree suggest when you think it would be appropriate for consumer advocacy services to extend to this market, whether that be for the launch of the licence or another specific time.

We agree that at present it would be inappropriate to extend regulation 8 and 9 to FSPs. The purpose of having these regulations on energy suppliers to date has been because they are in control of ensuring electricity/gas is provided to the consumer, ensuring their lights go on, cooker turns on etc. Whereas a flexibility service provider simply works with the consumer to an approved schedule trough an opt in service. These regulations do not align with the voluntary nature of the service. Whereas it is critical that as suppliers provide consumers with a right to light and or heat that they have these extra consumer protections.

Question 11

With reference to licence condition 3 and the relevant definitions in licence conditions 1 and 2, do you agree with the drafting of this licence condition, noting that to meet the requirement the licensee would need to have direct ownership or legally enforceable rights over assets, mechanisms or arrangements such as but not limited to premises, facilities, staff, equipment, IT systems and brand name?

Please explain your answer and if you disagree provide alternative suggestions.

Overall, BEAMA agree with the drafting of the licencing condition. However, there is value in having more information on 3.2(b). Some of the conditions of the ESA Regulations through enforced randomised delay at inappropriate times may impact on consumer comfort which may do harm. It would therefore be appropriate for further guidance to be published on this point. Such guidance should be very clear on what is expected. Early additions of guidance should be shared with industry to avoid unintended consequences as we saw previously with guidance on the Smart Charging Regulations 2022. We note 3.4 makes reference to guidance which would have been best placed with this consultation to allow for the most accurate response to this question.

Question 12

In the impact assessment accompanying this consultation we assume that licence condition 3 creates no additional costs. Do you agree with this assumption?

If not, please provide a rationale and details of the additional costs that condition 3 would entail for your organisation. When calculating these costs, please exclude existing costs which your organisation may already face in relation to these conditions.

Disagree. It would be wrong to assume that existing staff have significant additional capacity to take on further responsibilities. More than likely many businesses would have to hire additional staff to fulfil these obligations. Staff may also require new training which would come with additional costs. Likely additional costs could also be seen in these areas - Legal costs to establish enforceable rights and supplier contracts, Governance, audit, and assurance processes, Operational resilience documentation and testing.

Question 13

With reference to licence condition 4 and the relevant definitions in licence conditions 1 and 2, do you agree that the drafting of this licence condition is the right approach to proportionately promote financial responsibility in the market?

Please explain your answer and if you disagree provide alternative suggestions.

Overall, BEAMA disagrees with the terms of condition 4. 4.2 (a) reflects a very small % of a business's ownership. We understand this may be an early warning indicator but could be more problematic for SMEs and micro businesses.

The flexibility market is still taking shape, and it brings together a very mixed group of organisations- from large, well-funded players through to smaller innovators and specialist providers. If the financial requirements are set too high, or applied too rigidly, there is a risk that some of those smaller but important participants will not be able to take part. This would slow innovation, reduce competition, and ultimately limit the choice and benefits to consumers therefore causing the opposite of what SSES is aiming to achieve.

From a manufacturer point of view, new smart technologies often reach the market through partnerships with these smaller flexibility providers. If financial thresholds become a barrier to entry, it could make it harder for innovative products to find a viable route to market and scale in the way the transition needs.

Question 14

With reference to licence condition 5 and the relevant definitions in licence conditions 1 and 2, do you agree with the drafting of this licence condition?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA agrees with condition 5. Having fit and proper staff in place to oversee and manage businesses in this sector is critical, particularly as relationships with the consumer become more complex.

Question 15

Which additional costs would your organisation face for complying with licence conditions 4 and 5?

Please comment on the management cost assumptions in the impact assessment. When calculating these costs, please exclude existing costs which your organisation may already face in relation to these conditions.

Please include an explanation of the additional costs you may face, such as additional FTE, and why the additional costs are necessary to comply.

For many organisations entering or expanding within the flexibility market, licence conditions 4 and 5 are likely to introduce genuine incremental costs, even where elements of financial governance already exist. Demonstrating compliance in a regulated environment typically requires additional structure, assurance, and ongoing oversight beyond current commercial practice. In practical terms, additional costs are most likely to arise in three areas; Governance and financial oversight, Compliance resource and assurance, Controls and reporting. Taken together, these costs are not disproportionate in the context of a regulated consumer-facing market, but they are unlikely to be zero and will vary significantly depending on organisational scale, maturity, and business model.

BEAMA therefore considers that impact assessments should reflect:

- Tiered cost assumptions based on organisational size and customer exposure rather than a single average figure.

- Recognition that new entrants and innovators may face proportionally higher upfront compliance costs.
- The importance of clear guidance and proportional evidence requirements, which can materially reduce unnecessary administrative burden.

Question 16

With reference to licence condition 6 and the relevant definitions in licence conditions 1 and 2, do you agree with the proposed drafting of this condition, noting that we have not included obligations related to data retention?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA agrees with condition 6. The condition sets out reasonable powers that a Secretary of State or enforcement body would have to ensure appropriate regulations are in place for businesses in scope of these regulations.

Question 17

With reference to licence condition 7 and the relevant definitions and interpretation set out in licence conditions 1 and 2, do you agree with the proposed drafting of this condition?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA agrees with condition 7. It is a reasonable and expected condition that businesses would expect to comply with given the scope of the regulations. We suggest guidance is provided on responsibilities across FSP, load controller, supplier, and OEM.

Question 18

With reference to licence condition 8 and the relevant definitions in licence conditions 1 and 2, do you agree with the drafting of this condition?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA does not entirely agree with the drafting of this condition, noting below areas of concern.

We observe that compliance with sections 8.1 and 8.2 would be hugely costly for businesses that do not already comply. We understand a consultation will reveal the full extent of obligations that businesses will face to comply with 8.1 and 8.2. It is unfortunate that the consultation was not concluded prior to this one, as it is harder for businesses to accurately forecast the extent of financial cost of compliance and indeed how much time it will take to achieve compliance.

We note that exemptions are not well defined in 8.4 and that the supplementary guidance may offer further clarity, but an advance sight of what cases may warrant exemption would be beneficial.

Furthermore, our response to the ESA Regulations consultation highlights there are obvious gaps where a Direct to Vehicle model is exempt and is able to avoid randomised delay requirements for example. Showing the condition itself will not be implementable for around 20% of EV charging session to date, which will mean it is not able to achieve the intended outcomes of safety, security and operational efficiency for any EV charging through a D2V model.

Question 19

With reference to 8.4 – 8.10 and the relevant definitions in licence conditions 1 and 2, do you agree with the proposed provisions to support the functioning interaction between codes and the licence?

If not, please specify which provisions you disagree with and your rationale.

Overall BEAMA support 8.4-8.10. However, 8.10 (e) (i) in regard to timelines is a normal requirement to have. Yet, concern remains that the timelines so far asked for by SSES have not been consistent in the reality of business operations, often underestimating the time taken to change product cycles etc. We would therefore expect to see that adequate industry consultation is guaranteed before additional timelines are introduced in future.

Question 20

Do you agree with our intention to create a framework to empower industry to manage grid stability risks posed by load controllers, by having a licence condition that requires load controllers to accede to, and comply with the relevant sections of The Grid Code via Connection and Use of System Code (CUSC) and The Distribution Code via Distribution Connection and Use of System Agreement (DCUSA)?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

BEAMA's response to Question 18 reflects our concerns with regard to the topic of this question.

Question 21

With reference to licence condition 9 and the relevant definitions in licence conditions 1 and 2, do you agree with the draft cyber security licence conditions, noting that many are modelled on the NIS Regulations but adapted for load controllers?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

Overall, BEAMA agree with condition 9, noting the need for effective cyber security measures to act as a deterrence and make load controllers and flexibility service providers less attractive to attack by hostile actors. But the approach must align with existing product and IoT security duties, otherwise we risk duplication and confusion. We suggest that obligations are mapped explicitly against existing regimes and standards and clarify supply-chain expectations (what sits with licensee vs OEM).

We would value further clarity on:

9.25 – we recognise that the payment to the regulator for inspection is standard practice for Operators of Essential Services, but we would value further clarification that this payment is only owed where a business falls in to this category e.g. has 300MW or greater of aggregated load and comes under the Network and Information Systems Regulations when time in parliament allows. Rather than to those coming in below 300MW which would not reflect practice elsewhere, where general taxation is used to pay for inspection.

9.6 – BEAMA recognise the need for quick reporting when a business moves beyond the 300MW threshold. We would welcome further guidance and considerations to be explicit on how to manage businesses that fluctuate between the two boundaries regularly owing to for example replacement of old equipment, cancellation of contracts and new customers replacing lost business.

Question 22

Do you agree with proposed 18-month period for newly licensed organisations to demonstrate meeting CAF requirements?

Please provide your views on whether this period is appropriate, whether Ofgem's discretion to grant extensions is sufficient, and if there are any specific factors or challenges that should be considered when finalising the implementation timeline.

We note that the availability of a Remedial Action Plan will be beneficial in these 18 months to demonstrate to Ofgem how businesses plan on achieving compliance. However, we note that with a consultation on the larger CAF profile still to come later this year that businesses are likely to be further behind and perhaps have a larger Remedial Action Plan should they apply when the licence application opens. This would be due to a response to the consultation confirming the CAF profile unlikely to occur long before the application window opens.

BEAMA recognises the importance of a clear and time-bound pathway to meeting CAF cyber-security requirements. A defined implementation window provides certainty for regulators, market participants, and consumers, and helps ensure that organisations controlling electrical load operate to an appropriate and consistent security baseline.

However, an 18-month period may prove challenging in practice, particularly for organisations operating across complex, multi-vendor ecosystems. Many flexibility services rely on layered architectures that include OEM devices, cloud platforms, third-party integrations, communications networks, and legacy systems already deployed in consumers' homes. Demonstrating full CAF alignment across this end-to-end environment can involve:

- Detailed risk assessment and architectural review.
- Remediation or redesign of existing systems.
- Supplier and supply-chain assurance activities.
- Independent testing, certification, and audit.

These activities are often sequential rather than parallel, meaning timelines can extend beyond initial expectations, especially where changes must be coordinated across multiple technology providers or firmware update cycles.

Therefore, we would ask this too is moved **to 24 months** in line with our previous asks to ensure that adequate time is given to reflect the potentially long process that manufacturers may face to compliance. Noting that 24 months could be hit for most or all manufacturers, particularly where they are able to deploy existing best practice like **EN 18031:2024** to help demonstrate compliance.

Question 23

With reference to licence condition 10 and the relevant definitions in licence conditions 1 and 2, do you agree with the drafting of this condition?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

BEAMA agree with condition 10.

Question 24

Which additional costs would your organisation face for complying with licence condition 9?

Please comment on the cyber security cost assumptions in the impact assessment. When calculating additional costs, please exclude existing costs which your organisation may already face in relation to these conditions.

Please include an explanation of the additional costs you may face, such as additional FTE, and why the additional costs are necessary to comply. Please include as much supporting evidence as possible in your response.

Impact will vary significantly by organisational scale and architecture. As well as by the final decision of the consultation. The identified additional costs appear broadly correct. For example, costs could be reduced if use is made of existing, established frameworks for cybersecurity assessment and compliance. If a proprietary, load controller-specific framework is enforced, then these costs could increase in excess of what has been outlined.

Question 25

Do you agree with the definition of small business consumer for the purposes of determining which non-domestic consumers are in scope of consumer protections?

Please explain your answer and if you disagree provide alternative suggestions.

BEAMA do not entirely understand the rationale for this definition. Given the scope of sub-limb 1 (creating a load control signal; changing a load control signal; controlling the timing of the sending of a load control signal for the purpose of effecting load control). Section 3.2.1 further clarifies that the intent is for the licensing requirements to cover all load control activity, regardless of whether or not it is provided by a contracted FSP.

Question 26

With reference to licence condition 11 and the relevant definitions in licence conditions 1 and 2, do you agree with the drafting of this licence condition?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

BEAMA do not agree with the drafting of this license condition as we aren't aware what additionality there is for this vs the Consumer Rights Act 2015. We believe this is something that should be analysed in more detail before imposing the requirements described here with justification and details of how this goes beyond what is already in the Consumer Rights Act 2015.

For D2V models there is also a question of whether consumers are given the same information regarding the impact of D2V over charging through the charge point rather than vehicle. These options should where possible be provided to the customer at the same time to avoid locking in a consumer to one choice. This is important for consumer choice.

Question 27

With reference to licence condition 12 and the relevant definitions in licence conditions 1 and 2, do you agree with the proposed drafting of this licence condition?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

We do not agree with the drafting of this license condition. The existing provisions of the Consumer Rights Act 2015 seem to align with much of this already, so the value of additional regulation appears uncertain, although we support the requirement to clearly communicate the “Principal Terms”.

Question 28

Do you agree with the terms that are included in the “Principal Terms” definition? If not, please specify which terms you disagree with.

BEAMA agree with the principal terms which align with the Consumer Rights Act 2015.

Question 29

Do you think there should be any additional terms included in the "Principal Terms" definition? If so, please provide suggestions.

A few additions would materially improve consumer understanding. Suggestions are Government must produce information regarding:

- What happens during loss of connectivity / service outage.
- Device/asset requirements and compatibility constraints.
- Any impacts on comfort/service delivery (e.g., heat, EV charging times).

Question 30

Which additional costs would your organisation face for complying with licence conditions 11 and 12, as well as the requirement to offer complaints procedures and contribute to dispute resolutions?

Please comment on the customer protection cost assumptions in the impact assessment. When calculating additional costs, please exclude existing costs which your organisation may already face in relation to these conditions.

Please include an explanation of the additional costs you may face, such as additional FTE, and why the additional costs are necessary to comply.

Please include as much supporting evidence as possible in your response.

BEAMA members may face additional staffing costs which for larger businesses requiring a larger number of additional customer facing roles would certainly exceed the cost estimates provided by DESNZ. Training for support with vulnerable customers would likely also be needed representing both a time and financial cost.

Question 31

With reference to licence condition 13 and the relevant definitions in licence conditions 1 and 2, do you agree with the proposed drafting of this licence condition?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

BEAMA agree with condition 13.

Question 32

Do you think that load controllers should also be subject to a requirement similar to licence condition 13.2?

If so, please provide your rationale.

Any extension should be risk-based and role-appropriate, reflecting whether the load controller has a direct consumer impact or contractual visibility.

Obligations should complement, not duplicate, FSP consumer-facing duties.

Clear guidance is needed on responsibility boundaries across FSPs, load controllers, and technology providers to ensure consumers experience a simple and coherent service.

Question 33

Government wants to build its evidence base for more detailed policy appraisal. Could you set out how additional costs could potentially arise for FSPs from complying with licence condition 13 and could you quantify these? When calculating additional costs, please exclude existing costs which your organisation may already face in relation to these conditions.

Please include an explanation of the additional costs you may face, such as additional FTE, and why the additional costs are necessary to comply.

This is likely to generate **incremental operational and governance costs** for many FSPs, particularly where new transparency, monitoring, or reporting expectations extend beyond current commercial practice. While individual cost levels will vary significantly by organisational scale and technical architecture, several common cost drivers can be anticipated. Given the diversity of business models within the flexibility market, single average cost assumptions are unlikely to reflect real-world impact. Smaller or newer entrants may face proportionally higher upfront costs, while larger organisations may incur more complex system integration and governance overheads.

From a BEAMA perspective, realistic appraisal of these incremental costs, alongside clear, proportionate, and outcomes-focused implementation guidance will be essential to ensure licence condition 13 strengthens transparency and consumer confidence without unintentionally constraining innovation or market participation.

Question 34

With reference to licence condition 14 and the relevant definitions in licence conditions 1 and 2, do you agree with the proposed drafting of this licence condition?

Please explain your answer and if you disagree provide alternative suggestions for achieving the same outcome.

BEAMA agree with preventing bundling from locking a consumer in. It would be beneficial to see more clarity on what is in and out of scope of charges e.g. cost of hardware and future revenue from a contract for example.

Question 35

Do you think licence condition provisions enabling derogations from certain licence obligations should be included in the load control standard licence conditions, either to mitigate risks of duplicative regulation or for other reasons?

Please explain your answer and provide a rationale. If you think derogations from certain licence obligations should be included, please specify which licence obligations you think these should apply to.

Derogations are necessary. Particularly for those who can fit into the definition of both a load controller and flexibility service provider, avoiding duplication.

Where it is not a case of mitigating duplication, derogations should be time limited in nature, allowing businesses time for compliance where absolutely necessary while also ensuring all are able to offer a similar level of service and consumer protection and have a resilient cyber protection in place.

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