Reselling gas and electricity: Maximum Resale Price direction

4th December 2025

Summary

- **Fairness and Transparency**: The maximum resale price (MRP) should ensure electricity resale, whether for EV or marine charging is transparent, cost-reflective and free from excessive or opaque mark ups, particularly where users have no supplier choice.
- **Targeted protection:** MRP protections should extend to non-domestic and maritime users in ports or landlord managed sites, while maintaining flexibility for commercial infrastructure to recover investment cost.
- **Decarbonisation investment:** The framework should enable proportionate cost recovery to incentivise private investment in charging and shore power infrastructure, supporting the UK's transport decarbonisation objectives.
- **Modernisation:** Ofgem should update the MRP framework to reflect new technologies (such as battery storage) and mixed use sites, ensuring continued alignment between consumer protection, innovation and fair market practices.

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe, sustainable and efficient logistics. Our membership of more than 20,000 includes global, national and regional businesses and SMEs spanning road, rail, inland waterways, sea and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

Response to consultation

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Q1. What should be the purpose and objective(s) of the MRP? What risks should it protect resale consumers from?

The MRP should ensure electricity resold to end users, whether commercial or transport related is fairly priced, transparent, and proportionate to supply infrastructure costs.

For the logistics sector, the MRP's objective should be to:

- Protect dependent users in shared or landlord managed sites from excessive or opaque mark ups.
- Enable reasonable cost recovery to encourage private investment in charging infrastructure.
- Support the decarbonisation transition by keeping electricity a commercially viable alternative to fossil fuels.

The MRP should protect resale consumers from:

- Unfair pricing and hidden surcharges.
- Lack of transparency in how rates are set.
- Exploitative cost recovery that undermines confidence in electrification.

The MRP should balance consumer protection and investment certainty to ensure fair and sustainable access to electricity for non-domestic users, facilitating an affordable transition for the logistics sector.

Q2. What approach(es) should we use to set the MRP and deliver "fair prices"?

The MRP should be set using a transparent approach that is reflective of costs and links resale prices to underlying electricity supply rates, with clear limits on additional charges.

Given this, Logistics UK recommends:

- Benchmarking resale rates against the supplier's commercial tariff, plus a reasonable evidence-based margin for infrastructure recovery and management costs.
- Mandating transparency so resellers must provide tenants or users with a clear breakdown of energy, network and infrastructure recovery costs.
- Introducing guidance or a code of practice for non-domestic charging to ensure pricing consistency and fairness.

This approach would protect businesses from excessive mark-ups while maintaining investor confidence and supporting wider decarbonisation and electrification goals.

Q3. Do you believe that some or all non-domestic end consumers should be protected by the MRP? Please provide reasons for your answer.

Yes. Logistics UK believes non-domestic consumers, including fleet operators and maritime users, should receive appropriate protection under the MRP where they have limited choice or transparency over electricity pricing.

In both road freight and maritime settings, such as shared depots and ports, businesses often depend on landlords or site operators for access to charging or shore power. Without safeguards, they face risks of excessive mark-ups and inconsistent pricing, which can discourage investment in electric fleets and vessel electrification.

Extending MRP protection to these scenarios would ensure fair, transparent, and cost-reflective pricing, while still allowing reasonable cost recovery to support infrastructure rollout and the UK's transport decarbonisation and maritime decarbonisation goals.

Q4. Do you think there is currently the risk of poor outcomes for non-domestic consumers because the MRP does not apply? If so, why?

Yes. Logistics UK believes there is a growing risk of poor outcomes for non-domestic consumers, particularly fleet operators and maritime users, because the MRP does not currently apply. In shared depots and ports, businesses often rely on landlords or site operators to provide charging or shore power. Without MRP protection, these users could face:

- Excessive and opaque mark-ups on electricity resale.
- No competitive choice of supplier, leading to dependency and limited recourse.
- Unpredictable costs that undermine investment in vehicle and vessel electrification.

Q6. Does the current MRP strike the right balance between capping prices and facilitating investment to deliver net zero and lower energy bills? Please explain your answer and provide evidence where possible.

No. Logistics UK believes the current MRP framework, while effective in protecting domestic users does not yet strike the right balance for non-domestic consumers transitioning to electrification.

At present, the MRP allows infrastructure investors and landlords to recover costs but offers limited safeguards for dependent business users, such as fleet operators or marine vessel owners who lack the transparency or choice. This can result in inflated or inconsistent electricity costs, deterring investment in EV and shore power infrastructure.

A better balance would maintain reasonable cost recovery to encourage infrastructure rollout, introduce transparency and proportionality in resale pricing and extend targeted protection to non-domestic users in captive or landlord managed environments.

Such reforms would promote fair pricing, investment confidence, and faster progress toward decarbonisation in both road freight and maritime sectors.

Q12. Given the focus on marine decarbonisation, should we reconsider how the MRP is applied in marine charging scenarios? If so, should this apply to all charging scenarios or only some? Call for input Reselling Gas and Electricity

Yes. Logistics UK believes the MRP should be reconsidered for marine charging to support the government's maritime decarbonisation strategy while maintaining fair protection for end users. Logistics UK recommends:

- For propulsion related electricity, resellers should be allowed to recover reasonable infrastructure and maintenance costs, as this will encourage private investment in shore power and electric vessel charging.
- For domestic or auxiliary electricity use aboard vessels, the MRP protection should remain.

Q15. Should power for domestic purposes be treated differently from propulsive power? Are there ways to distinguish between these uses at the point of charging?

Yes. Logistics UK believes domestic and propulsive electricity use should be treated differently to ensure fair consumer protection while supporting investment in decarbonisation. Domestic use should remain protected under the MRP, as users may be residential or otherwise vulnerable to price exploitation. Propulsive power should allow reasonable infrastructure cost recovery, reflecting its commercial nature and the need to incentivise private investment in marine charging infrastructure.

A dual-rate or metered approach would allow operators to apply appropriate protections and pricing transparently, ensuring both fairness for domestic users and confidence for investors expanding marine electrification capacity.

Q16. What evidence is there of batteries being used in reselling arrangements? What are the benefits and risks of this approach for consumers, and is further consideration of this use-case by Ofgem and DESNZ warranted in the near term?

Logistics UK is aware of early examples of battery systems being integrated into commercial and port charging infrastructure, primarily to manage grid constraints, reduce peak demand, and improve energy efficiency. However, such arrangements remain limited in scale and lack clear regulatory guidance around resale pricing and cost recovery.

The batteries help reduce grid connection costs and support faster rollout of charging and shore power infrastructure, improving grid resilience in high demand areas. However, there is a risk of a lack of transparency in how stored energy is priced and resold to end users and potential for double charging or inflated mark-ups on battery-discharged electricity.

Given the growing role of energy storage in supporting transport and maritime decarbonisation, Logistics UK believes further consideration by Ofgem and DESNZ is warranted in the near term to ensure pricing frameworks evolve with technology, maintaining both investment incentives and consumer protections.