

# **Ofgem Review: Call for Evidence**

## **A Government Response**

December 2010



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# Overview

**As independent regulator of the gas and electricity markets, Ofgem is a critical part of the landscape that enables the Government's ambitious energy and climate change objectives to be realised. With significant challenges ahead, DECC is reviewing Ofgem's regulatory role and considering whether any changes are needed to ensure the alignment of the regulatory framework with our strategic policy goals.**

**We would like to thank all those who shared their views with us, through the recent call for evidence, on the issues that the review should tackle. In response, this document provides a summary of the key issues raised in written responses to the call for evidence and explains, within this overview, how they have helped to shape the next phase of the Ofgem Review.**

## Emerging priorities for the Ofgem Review

The Government remains committed to ensuring that Great Britain has an effective energy regulatory framework overseen by an independent regulator. This policy position was supported in the responses to the call for evidence, with the existing framework and regulatory independence being highly valued and having been seen to attract significant investment to our energy sector.

Although there was support for this overarching regulatory framework there are a number of areas that the Ofgem Review will now seek to tackle.

### Role clarity

As a priority, we need to look at the clarity of the role of the regulator and, in particular, how their role should relate to that of Government and other bodies in the regulatory landscape. The Review will consider not only what those roles should be today but will also look ahead over the next decade and beyond, as the energy market undergoes transformation, to ensure that our conclusions will be durable and provide regulatory certainty over the long term.

Since the regulatory framework for gas and electricity supply was established in the 1980s, the government's expectations of the contribution that the energy sector should make to strategic policy goals have broadened. In turn, the regulator has been expected to take account, for example, of government goals to reduce greenhouse gas emissions, deliver greater renewable energy and tackle fuel poverty - alongside its core remit to protect consumers and promote competition. The trade-offs between these objectives are often complex and it is not always clear between Government and Ofgem who is responsible for which types of decisions. The result has been a blurring of responsibilities and some erosion of the regulatory certainty that independent regulation was designed to provide.

The complexities of the energy market landscape are not going to go away and new regulatory challenges may arise as the energy market makes the transition to low carbon. The Ofgem

Review will seek to establish clarity over roles and responsibilities across the energy regulatory framework both now and for the future, working closely with DECC's Electricity Market Reform project and the review of DECC's delivery landscape.

### **Legal framework**

In considering options for implementing our conclusions on roles and responsibilities, we will need to look at the legal framework that defines the regulator's role and powers.

The revisions to Ofgem's duties in recent Energy Acts (2004, 2008 and 2010) have been intended, alongside the Social and Environmental Guidance (first introduced in 2002 and revised in 2004 and 2010), to clarify the regulator's role and align it to the Government's priorities. However, the ongoing concerns over role clarity suggest that this has not had the desired result and the social and environmental guidance, in particular, is seen as largely ineffective.

The Ofgem Review plans to look both at Ofgem's duties and the mechanisms by which Government communicates its policy goals with the aim of establishing a durable legal framework that defines the regulator's role and remit.

We may also need to look at the powers available to Ofgem to ensure that it is able to fulfil its role. Ofgem holds some of its powers for competition and consumer protection concurrently with OFT, and we received a range of views on the effectiveness of these arrangements. The same arrangements apply in other regulated sectors (e.g. water, communications) and we will now take forward consideration of these issues within the context of the Government's broader work on the competition landscape, which is led by BIS. The concurrent competition powers of all the sector regulators (e.g. Ofgem, Ofwat, Ofcom) will be examined as part of the public consultation on the government's proposal to merge the Competition Commission and OFT to be launched in the new year.

### **Governance and accountability**

The successful implementation of a new legal framework will need to be supported by a credible framework for holding Ofgem to account for its decisions. We have heard concerns that both the way that others scrutinise and challenge Ofgem's work and the way that Ofgem itself explains its strategy and decisions, are not sufficiently robust or transparent. We will need to explore whether, within the context of our future energy market and the independence requirements of the EU Third Package, this is indeed the case. As in all of our work for the review, the core principle will be to bring as much certainty to the energy market as possible, benchmarking our arrangements against other examples both here and abroad.

### **Ways of working**

Underpinning all of the above are the regulator's and Government's ways of working. A range of operational issues have been raised through the call for evidence that both DECC and Ofgem need to consider. Some of these need to be tackled jointly in order to support better role clarity, and some are internal issues that each will be considering how to tackle independently.

### **Next steps**

Within the context of the areas described above, the Review will move forward in parallel with a number of other complementary strands of work, including the Electricity Market Reform project, DECC's review of the delivery landscape and Defra's Ofwat Review. We expect to publish our conclusions alongside an Electricity Market Reform White Paper in Spring 2011.

# Summary of Responses

## Background

1. On 27 July 2010 DECC Secretary of State announced a review of the role of Ofgem. A call for evidence was issued<sup>1</sup> to help inform the issues that the review should consider. Views were particularly requested on the following points:
  - Government's objectives for independent regulation of the energy sector, taking account both of the Government's broader principles for economic regulation and its energy and climate change objectives;
  - The boundary of responsibility between Ofgem and Government, reflecting the need for clarity, accountability for strategic choices, and for Ofgem's regulatory decisions to remain independent of Government so as to provide a stable and predictable regulatory regime;
  - The boundary of responsibility between Ofgem and OFT;
  - Ofgem's statutory duties, whether they are fit for purpose and how they are reflected through industry governance processes, particularly within the context of the Government's energy and climate change objectives. Ofgem's powers and duties are summarised on Ofgem's website;
  - The effectiveness of Government's social and environmental guidance to Ofgem and how it is translated through Ofgem's decision making. The guidance is available on the DECC website;
  - The value for money Ofgem provides;
  - Ofgem's approach to minimising the burdens from its regulatory activity;
  - The scope for learning lessons from other regulatory models and examples of good regulatory practice.
2. A consultation email address ([ofgemreview@decc.gsi.gov.uk](mailto:ofgemreview@decc.gsi.gov.uk)) was set up, to which all stakeholders and members of the public were invited to submit their comments. The consultation document was made available online. A total of 66 responses were received, a breakdown by stakeholder group is provided below. A complete list of bodies who responded to the call for evidence is at Annex A (excluding confidential responses).

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<sup>1</sup> [http://www.decc.gov.uk/en/content/cms/consultations/ofgem\\_review/ofgem\\_review.aspx](http://www.decc.gov.uk/en/content/cms/consultations/ofgem_review/ofgem_review.aspx)

<b>Groups</b>	<b>Number of Respondents*</b>
<b>Academic/Professional Institutions</b>	3
<b>Public Sector Bodies</b>	3
<b>Industry – Business</b>	10
<b>Industry – Operators (licensed by Ofgem)</b>	22
<b>Non-Governmental Organisations (NGOs)</b>	4
<b>Consumer Groups</b>	6
<b>Trade Associations</b>	13
<b>Other</b>	5

\*Excluding confidential responses.

3. We are grateful for the time and thought put into these responses by all concerned. This section summarises the responses to the consultation; full versions of the responses can be found on the DECC website ([www.decc.gov.uk](http://www.decc.gov.uk)).

## Detailed Analysis

<b>1.</b>	<b>Government’s objectives for independent regulation of the energy sector, taking account both of the Government’s broader principles for economic regulation and its energy and climate change objectives.</b>
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4. Respondents were strongly supportive of independent regulation for the energy sector. It was felt that this principle, which underpins the regulatory framework in Great Britain, had delivered competitive markets, good value for consumers, and had, over the years, attracted significant investment to the energy sector. The First Minister of Scotland shared this view, commenting that “it is absolutely correct that the role of the regulator delivers the regulatory independence, stability and continuity that is key to investor, consumer and political confidence”.
5. In areas where Ofgem had been given a clear remit it was thought they had performed to a high standard. For example, the regulator’s important contribution in Europe was registered by some, citing the regulator’s positive influence on the recent EU Third Internal Energy Market Package. Consequently, it was generally thought that any radical departure from the existing framework, or too frequent changes to it, could have a serious negative impact on our energy market. Nevertheless, within that important overarching context, it was still considered that certain improvements to our regulatory framework would be possible.
6. Many comments picked up the themes of stability, predictability and independence: characteristics that the energy market would like to see from its independent regulator. Responses from academia emphasised the need for any proposed revisions to the regulatory framework to maintain certainty and stability within the sector. It was suggested that this might be achieved through longer-lasting objectives and targets for the regulator, either by committing to change only after a set number of years or by setting a higher legal threshold for potential amendments (for example, a vote in parliament).
7. Role clarity for the regulator was an issue relevant to a number of the specific questions asked by the call for evidence and Ofgem’s relationship with Government is covered by our response to question two below, while that with the OFT is addressed under question three. The split between Consumer Focus and Ofgem was also raised as a boundary of concern to some, with a perceived overlap of roles on consumer protection. In particular, respondents cited the duplication of work caused by similar information requests issued from both organisations.
8. Respondents suggested that there needed to be a stronger accountability framework for the regulator. For example, that they should be held to greater account for underlying assumptions that they make, the approach that they use and decisions they come to. Some asked who regulated the regulators and whether there was sufficient oversight of regulatory decisions. A link was made to the issue of role clarity, as institutions within the sector needed to have a clearer remit and, therefore, better understanding who had responsibility

for which decisions. It was observed that accountability had been weakened over time as Government had asked the regulator and energy sector to take on increasingly wider responsibilities than those envisaged when the framework was originally designed.

9. Some commented that, looking forward, the current approach taken by the regulator might not be appropriate for meeting the challenges ahead. There was a concern that achievement of the Government's carbon targets might be at risk from lack of action from the regulator and that Ofgem needed to be an enabler of change and more responsive to delivering long-term Government policy aims. Trade associations and academics highlighted specifically that economic or market based approaches were not always best suited to deliver the Government's long-term policy objectives and that they, on their own, would not deliver the full extent of the developments and investment required.
10. Consumer groups welcomed Ofgem's more recent proactive approach to consumer protection, for example action on mis-selling by suppliers. They did however question overall whether industry was sufficiently focused on the customer. Respondents referred to an Ipsos Mori poll<sup>2</sup> that had rated gas and electricity markets lowest in consumers' perception of 45 markets for products or services. There was a call for a strong consumer body representing both domestic and business customers' interests in a more responsive and transparent manner.

<b>2.</b>	<b>The boundary of responsibility between Ofgem and Government, reflecting the need for clarity, accountability for strategic choices, and for Ofgem's regulatory decisions to remain independent of Government so as to provide a stable and predictable regulatory regime.</b>
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11. Respondents gave a clear and consistent message that there was a need for greater role clarity between Ofgem and Government, although several noted that this would not be easy to achieve. In particular, it was observed that there was a lack of clarity over Ofgem's responsibilities as well as uncertainty as to where the boundary lay between the regulator and Government. Most thought that this was a result of the extra duties which had been placed on Ofgem by Government on policy areas such as security of supply, consumer protection and the environment. This complex set of issues, and the way in which Ofgem's role was defined, had placed Ofgem in the position of having to make difficult trade-offs that some argued should be for Government. It had also been noted that recent Ofgem initiatives, such as Project Discovery, enhanced the impression of policy being set by the regulator.
12. There was a broad consensus that the core of the solution lay around Government setting policy, with Ofgem focussing on regulation and implementation. Respondents emphasised that, ultimately, role clarity was an issue for Government to resolve.

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<sup>2</sup> Carried out on behalf of Consumer Focus in March and April 2009

13. To achieve this, several respondents believed that, in future, the expectations of the regulator – through its duties, guidance and/or other format - would need to be set out more explicitly than before. Proposed solutions also included improved identification and prioritisation of Ofgem’s objectives. Large supply companies in particular felt Ofgem’s objectives should be more focused, or ranked in a hierarchy of duties. This could be done by Ofgem working more collaboratively with Government, or by DECC directing more clearly what it wants from the regulator. It was also suggested that Government needed to take clearer responsibility for policy decisions, and that it might review the policy of introducing reserve powers relating to issues that were normally within Ofgem’s regulatory remit.
14. Several mentioned that it is right for Ofgem to advise Government on policy, and that it would be a good use of its expertise of the sector. There was a suggestion that this role could be formalised in a similar way to the Committee on Climate Change model. The independence of the regulator would need to be ensured, but this might enable Ofgem to more clearly aid policy development, under terms of reference set by Government.

### 3. The boundary of responsibility between Ofgem and OFT.

15. This issue was directly addressed by less than half of the Call for Evidence respondents. There was also no clear consensus between those that did suggest how this boundary of responsibility might be optimised, although slightly more favoured taking concurrent competition powers away from Ofgem than maintaining the status quo.
16. Respondents supporting a change cited a range of benefits that could be gained by a transfer of powers. Several said that OFT might be better resourced to deliver a competitive oversight role and could draw on its wider experience of conducting investigations in other complex markets, while some noted that Ofgem had not used its competition powers as often or effectively as it could have done. It was suggested that OFT might be better placed to use competition powers as, unlike Ofgem, they are independent from day to day monitoring of the market. Others emphasised the potential benefits of a change to Ofgem, leaving them able to better focus on its remaining regulatory duties and the efficient operation of the market. One industry respondent questioned why competition enforcement of energy markets should be treated any differently from other sectors.
17. Several respondents voiced similar concerns but supported an alternative solution whereby Ofgem’s role would be restricted to monitoring and referral, with enforcement powers transferred to OFT. This was offered as an option which would play to the strengths of each organisation, utilising Ofgem’s understanding of the market and OFT’s expertise in competition enforcement.
18. Some felt that the current framework was fit for purpose and so there was no case for revising the existing concurrency arrangements. One supplier was concerned that given radical changes to the energy market in the near future (e.g. smart metering and smart grids), a change to the existing arrangements would introduce further unnecessary risk. Several raised concerns that transferring powers to OFT would weaken consumer

protection, with the most common reason being that OFT lacked Ofgem's deep knowledge of the sector. Further concerns included the possible undermining of Ofgem's obligation to provide value for money for consumers and that energy market issues would have to compete against other OFT priorities. Several respondents highlighted that separating competition powers from sectoral powers would introduce the extra potential complication of double jeopardy.

19. A number of respondents provided no view on where competition powers should sit, but did comment on the issue, noting the risks and benefits of the available options. Several said there is scope for better role clarity and rationalisation in this area and that improvements could be made by better working between Ofgem and OFT.

<b>4.</b>	<b>Ofgem's statutory duties, whether they are fit for purpose and how they are reflected through industry governance processes, particularly within the context of the Government's energy and climate change objectives. Ofgem's powers and duties are summarised on Ofgem's website.</b>
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20. Respondents clearly felt that Ofgem's duties were too complex, often confusing, and should be simplified or clarified in some way. Only a small minority thought that they were fit for purpose.

21. There was a consistency in the reasons put forward for this unwanted complexity. In particular, it was felt that the various amendments that Government had made to Ofgem's duties over recent years had resulted in a notable increase in competing and conflicting objectives. Specifically, the additions of sustainable development and protecting future consumers had significantly expanded Ofgem's remit.

22. A further complication was the equal status of the regulator's secondary duties that, coupled with the wider remit, left industry uncertain about the priority each would be given by Ofgem in practice. The trade-off judgements that were now required by the regulator, and referred to under question one above, made it much more difficult for the market to predict the outcomes. The overall impression was that, over time, Ofgem's role had been evolving away from its original remit of economic regulator.

23. Proposed solutions included simplifying or clarifying Ofgem's duties with the aim of increasing Ofgem's focus on pure regulation. Adding or removing duties, and/or changing their relative priorities, might assist with the issue of role clarity (see question two above). At the same time, some respondents cautioned that amending the duties was not the solution, and that further changes risked adding to market uncertainty.

24. Reinforcing the points made on role clarity (see question two), respondents commented that part of the solution was for Government to take greater responsibility for strategic policy and that Ofgem's duties should be better aligned with Government objectives. It would then be for Government to ensure that Ofgem had powers to enable it to carry out the duties that it

was given. On a specific point, it was noted that how Ofgem’s duties enabled it to engage on consumer protection issues would be particularly important.

25. Respondents from industry and others raised the introduction of the Significant Code Review process, where Ofgem planned to obtain new powers to give it greater control over industry change procedures. This raised concerns that Ofgem could intervene more regularly in the market, increasing regulatory burden. Also that it could contribute to the role clarity issue between Government and the regulator, as Ofgem would be able to direct the market more freely, which could duplicate Government policy.

<b>5.</b>	<b>The effectiveness of Government’s social and environmental guidance to Ofgem and how it is translated through Ofgem’s decision making. The guidance is available on the DECC website.</b>
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26. Less than half of respondents addressed this question but, of those who did, there was near universal agreement that the social and environmental guidance was inadequate and in need of change.

27. Many thought that the guidance did not work because it was too broad. It asked too much from a single authority. Only one respondent, a consumer group, suggested that it gave insufficient attention to environment concerns such as heritage or biodiversity.

28. Some commented that it was difficult to know how Ofgem used the guidance and the general impression was that its legal status was too weak to effect the regulator’s decision making. Another response commented that Government did not appear to place much importance to it given that it took so long (two years) for the last version of the guidance to become formalised.

29. Only a small number of respondents suggested discontinuing the guidance completely. Most saw a role for it, but that its scope should be simplified, providing clear direction from Government through the setting of targets or objectives. To be effective the legal status of the revised guidance should be strengthened. Alternatives were also proposed, including as the possibility of replacing the guidance with an annual Government statement.

30. Two respondents offered a note of caution in the use of the guidance. One suggested the review should consider whether it encroaches on the regulator’s independence as specified under the EU Third Package and another observed that Government must take care not to use the regulator as a way of intervening in the market.

<b>6.</b>	<b>The value for money Ofgem provides.</b>
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31. It was generally felt that Ofgem did provide value for money, but that its costs and spending should be more transparent. There were also several suggestions for potential efficiency savings.
32. One group of respondents noted that Ofgem was well managed and that the regulator had been able to take on more duties while keeping staff numbers constant. Ofgem's application of RPI-X to its own costs was also generally supported as a measure that had helped to control costs. Some observed that this approach had even lead to a lack of resource in some areas, with others warning that the regulator should be careful not to find itself in a position where it was under resourced. Only a minority of respondents noted that Ofgem's overall expenditure had increased, calling for the regulator to slim down.
33. A third of respondents gave examples of where they thought savings could be made through efficiencies in the way in which Ofgem worked, with several raising the possibility of merging common functions with other regulators. This covered a range of possibilities, such as sharing back office functions or sharing expertise. Increased coordination between regulators was also proposed as a way to achieve greater consistency; for example, with regard to costs of capital estimates and price controls.
34. A number of improvements in Ofgem processes were identified by some as a way for cost efficiencies to be made. There were calls for Ofgem to improve the way in which it used and conducted consultations. For example, suggestions included that, as well as setting consultation deadlines for stakeholders to respond, the regulator should commit to a timeline for its own response, creating greater certainty as to when issues will be resolved.
35. Many noted the frequency of consultations had increased in recent years. Industry respondents had found that Ofgem used additional consultation as a risk mitigation measure and as a substitute for appropriate engagement. It was recognised that Ofgem had to strike a balance between ensuring its processes are inclusive whilst not overloading stakeholders with information. As part of this more informal, collaborative methods earlier on in the decision making process might reduce the need to use formal consultations, and so provide better value for money.
36. Respondents commented on the slowness of Ofgem's decision making, and that Ofgem could review the way in which it engages industry and consumers, with the aim of giving more certainty to the market about its own decision making processes. The decision process in question included code modifications, information requests and scheme administration. It might consider how it managed and communicated outputs, perhaps committing - or being required to commit - to new standards of performance. Setting out fixed timescales was also proposed as a way to improve transparency of decision making. The idea of introducing a materiality threshold for reaching decisions was suggested, with the regulator only acting where an issue was of a particular significance. Several noted that, as had previously been recommended by the House of Lords, more should be done to make use of Post Implementation Assessments.

37. There were a number of comments concerning the need for greater transparency of costs, with several respondents noting that it was difficult to assess Ofgem’s value for money without this. As Ofgem was not subject to competitive pressures, expenditure needed to be checked and controlled, with some advocating increased oversight by the National Audit Office and Better Regulation Taskforce. Specific proposals included the idea that Ofgem might publish its costs of processing code modifications and/or that affordability and value for money could be made clear priorities within Ofgem’s consumer remit. It was suggested that the value for money Ofgem provides might be benchmarked, either against previous years or with similar regulators in other countries.
38. There were several calls for Ofgem’s remit to be streamlined, so allowing Ofgem to better match their resources to objectives and, hence, provide greater value for money. Similarly, it was suggested that greater role clarity between Ofgem and Government would save on resources through less overlap and duplication.
39. There were calls for a more strategic approach from Ofgem, mainly directed towards the perception that Ofgem favoured highly theoretical, economically perfect market arrangements. Trade associations in particular called for Ofgem to consider more practical and simple solutions. In one example, generators suggested that, based on an economically pure approach, the regulator had been too focussed on avoiding stranded assets when approving network investments.
40. This linked with comments relating to Ofgem’s capability and ways of working. There was praise for the regulator’s specialist knowledge, with many respondents noting that it was important that this should be retained. But Ofgem’s approach had sometimes let economic theory outweigh considerations for a more simple or practical solutions, which would have helped to keep down staff and consultancy costs.

<b>7.</b>	<b>Ofgem’s approach to minimising the burdens from its regulatory activity.</b>
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41. Respondents gave a mixed picture in their views of Ofgem’s management of the regulatory burden. Some were positive about Ofgem’s record in this area, but many found Ofgem’s approach, in particular the way it ran consultations (see also question 6 above), could be improved.
42. Industry and trade associations had found Ofgem to be helpful in understanding and overcoming regulatory barriers. Ofgem had shown a proper regard for the regulatory objective on minimising burdens, and recent moves to introduce elements of self governance were welcomed. A willingness by Ofgem to step back from interventionist approaches in wholesale markets was noted, and a consumer group commented that there had been particular improvement in last couple of years.
43. A more common view, however, was that there was more bureaucracy than necessary, with respondents believing that Ofgem did not place sufficient priority on reducing the regulatory burden. At times the regulator overlooked simplicity in its approach in favour of complicated

solutions, an example given from a public sector body respondent was charging arrangements, which were so complex they often produce charges that an average market participant cannot predict. Similarly Ofgem could become too immersed in detail of an issue. This resulted in a technically accurate outcomes, but only after a lengthy process; hence a more strategic approach which focused on cost effective solutions would be preferable. The frequency of changes had also added burden, for example constant refining of market trading rules.

44. As noted in the previous section, the way in which Ofgem conducted its consultations was raised as an area in need of improvement. Respondents from industry emphasised it was an expense to businesses to reply to consultations, and small suppliers highlighted that the number and length of consultations meant keeping up with latest developments was particular hurdle for new market entrants
45. Given the problems identified, there were several suggestions of improvements that could be made. Industry respondents suggested that Ofgem should focus its data requests more appropriately, place time limits on decision making processes, and make these processes more visible and transparent, particularly as delays in responding to industry issues created uncertainty. Further suggestions, also from industry, included reducing the amount of new regulation, either by adopting the 'one in one out' approach to regulation and/or presenting a pathway for their withdrawal from competitive markets. One consumer group suggested that Ofgem could learn from OFT in the way it monitored and reported its value for money, as OFT had agreed to deliver benefits at least five times its budget each year.

<b>8.</b>	<b>The scope for learning lessons from other regulatory models and examples of good regulatory practice.</b>
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46. A number of UK economic regulators were suggested for comparison. Given the Ofwat review was running at the same time as the Ofgem review, comparisons to the water regulator could provide an opportunity for looking at consistency of regulation across sectors. There could also be lessons to learn from Ofwat on how conflicting pressures and trade-offs could be handled. Ofcom could be considered as an example of a regulator for closer working opportunities, given they will have a mutual interest on issues such as smart metering. A consumer group suggested OFT could offer useful lessons in evaluating and reporting its own value.
47. Alternatively it was proposed that Ofgem could learn from its predecessors, who had a smaller more focused teams. Or comparisons could be made to regulators which have previously had to oversee paradigm shift challenges, given the change required in the energy markets in the coming years.
48. Suggestions of comparisons with other countries included Germany and New Zealand as they had now adopted the model of an independent regulator. Australia had a model of 'responsive regulation' which might an alternative model for comparison. A number of respondents mentioned the US for different reasons. First that there had been a lot of research on regulation which had been conducted there. Secondly, under the US

framework, utilities have a statutory right to earn a reasonable rate of return, and thirdly California had an interesting model in particular which ensured energy demand measures are carried out in preference to additional generation.

## Other Issues

49. There were a range of other issues that were raised that are outside the scope of this review but are of interest to DECC.

50. A number of comments were made on the role of Ofgem E-Serve. These have been passed to DECC's internal review of its delivery landscape who will take them forward. Similarly comments on the EU 3<sup>rd</sup> Energy Package, and the 3<sup>rd</sup> Package licence modification appeals process were passed to the relevant teams in DECC. These comments will be considered as part of the consultations on these issues<sup>3</sup>, which ended on 19 October and 29 October 2010 respectively.

51. Issues around locational charging were raised by some respondents, however this is out of scope for the review, and is a matter for the regulator. Ofgem have announced an open review of transmission charging through the Project TransmiT call for evidence<sup>4</sup>.

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<sup>3</sup> [http://www.decc.gov.uk/en/content/cms/consultations/imp\\_eu\\_third/imp\\_eu\\_third.aspx](http://www.decc.gov.uk/en/content/cms/consultations/imp_eu_third/imp_eu_third.aspx)

<sup>4</sup> [http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=TransmiT\\_Call\\_for\\_Evidence\\_Letter.pdf&refer=Networks/Trans/PT](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=TransmiT_Call_for_Evidence_Letter.pdf&refer=Networks/Trans/PT)

# Annex A List of Respondents

Excluding confidential responses.

Association for the Conservation of Energy  
Association of Electricity Producers  
Association of Signals, Lighting and other highway Electrical Contractors (ASLEC)  
B&Q plc  
Balancing and Settlement Code (BSC) Panel  
Barnard and Cooper  
BBL Company  
British Property Federation  
BT Group  
Campaign to Protect Rural England (CPRE)  
Carbon Planning Ltd  
CE Electric UK  
Citizens Advice Bureau  
Confederation of UK Coal Producers  
Connection and Use of System Code (CUSC) Amendments Panel  
Consumer Council for Water  
Consumer Focus  
Cornwall Energy  
Drax Power Ltd  
E.ON UK  
EA Technology Limited  
EDF Energy  
EEF  
Energy Networks Association  
Energy Retail Association (ERA)  
English National Park Authorities Association  
ESB International  
ESRC Centre for Competition Policy  
ExxonMobil International Limited  
First Minister of Scotland  
first:utility  
Fuel Poverty Advisory Group for England  
Gas Forum  
Good Energy  
GTC  
Hewdon Consulting  
Highlands & Islands Enterprise  
Hodgkins, W.R.  
Independent – 1

**Independent – 2**

**Institution of Engineering and Technology (IET).**

**International Power**

**Mainstream Renewable Power**

**National Energy Action (NEA)**

**National Grid**

**Northern Gas Networks**

**Northern Ireland Utility Regulator**

**Office of Fair Trading**

**Oil & Gas UK**

**Powerwatch**

**RenewableUK**

**RWE npower**

**Scottish and Southern Energy plc**

**Scottish Power**

**Scottish Renewables**

**Shell Energy Europe Ltd**

**Statoil (UK) Limited**

**Steering Committee of Amenity groups in South Suffolk & North Essex**

**Suffolk County Council**

**TOTAL E&P UK Limited**

**Welsh Power Group Limited**

**WWF UK**

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