

R/19

Monday 3 April 2006

OFGEM SET TO MEET THE ENERGY CHALLENGES OF 21ST CENTURY

- **Continuing to evolve to meet 21st Century energy challenges**
- **Strategy to be revisited following conclusions of UK and Europe reviews**
- **Keeping closely in touch with domestic customer needs**
- **Ofgem's first 'Simplification plan' aimed at reducing regulatory burden while maintaining consumer protection**

A Corporate Strategy which sets out how Ofgem will work to protect consumers' interests while responding to the energy challenges of the 21st Century was unveiled today by its Chairman, Sir John Mogg.

The Strategy follows a three month consultation with stakeholders but, given the major reviews of energy policy now underway in the UK and Europe, it will be revisited later in the year to ensure that it properly reflects emerging policy conclusions.

Sir John said: "This year is a pivotal time for policy development at both European and UK levels. It looks like being decisive for taking forward major changes and structural improvements to the way our energy networks operate. Our Strategy recognises this, while remaining true to the seven corporate themes which have served us well during the last two years.

"The challenges and tensions we face as regulator were reflected in the many comments we received. And, as last year, we have responded positively to those comments. We have proposed a number of new initiatives, particularly in the areas of Europe, microgeneration and simplifying industry rules.

"It is important that we remain a listening organisation at such a crucial time, particularly keeping closely in touch with domestic customers when Government plans to change consumer representation are emerging.

"We will also continue our drive to work smarter, more efficiently and so reduce the administrative burden we place on industry. To this end, we have published for the first time our own 'simplification plan' which is highlighted in our Strategy."

ends

Notes to editors:

1. Copies of the document 'Ofgem Corporate Strategy and Plan 2006-2011' are available on the Ofgem website www.ofgem.gov.uk. Hard copies can be ordered from the Ofgem distribution centre on 020 7901 7116 or by email from distribution@ofgem.gov.uk.
2. **Key areas of work for 2006-2007 include:**
 - Ensuring that lessons learned from this winter are applied to the coming winter and do everything possible to help at a time of rising prices
 - Developing regulatory arrangements which enable timely and efficient network investment to meet future energy needs
 - Breaking down regulatory barriers to the development of smart metering and microgeneration
 - Scrutinising both wholesale and retail energy markets to ensure they are working to the benefit of all consumers
 - Encouraging greater transparency in the European energy markets, and
 - Through the Supply Licence Review, developing regulations that are 'fit for purpose' to protect customers.
3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986 and the Electricity Act 1989, as amended by the Utilities Act 2000 as well as under the Competition Act 1998 and the Enterprise Act 2002.

For further press information contact: Mark Wiltsher 020 7901 7006; Chris Lock 020 7901 7225; Julia Collings 020 7901 7217. Out of hours 07774 728971/07766 511470.