

Press Release

Tuesday 27 July

OFGEM WELCOMES GOVERNMENT REVIEW

Ofgem, the energy regulator, today welcomed the Department of Energy and Climate Change's (DECC) review of its role as an independent energy regulator set out in today's Annual Energy Statement.

Ofgem's Chief Executive Alistair Buchanan said: "Ofgem very much welcomes this holistic review of energy policy which states that we are 'a critical part of the energy landscape.' We are also very pleased to be named as one of the parties that will 'be fully involved' in the Government's Electricity Market Reform project. The Annual Energy Statement also recognises the central role Ofgem is playing in delivering smart meters and a new regime for transmission connections to offshore wind farms."

"Within its own remit Ofgem is also working to protect consumers while Britain makes the transition to a low carbon economy. Yesterday we announced plans to reform regulation to help deliver the £32 billion of investment we need in our energy networks as cost effectively as possible. We have already started preliminary work on an independent review of transmission charging and connections which we will launch early in the autumn."

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NOTES FOR EDITORS

1. Annual Energy Statement – key references to Ofgem.

- 'The Government is currently conducting a detailed appraisal of the way the electricity market should be designed. The Electricity Market Reform project will assess the role that a carbon price, emissions performance standard, revised renewables obligation, Feed-in Tariffs, capacity mechanisms and other interventions could play in delivering a system that supports the delivery of a secure, low carbon, affordable electricity mix for the 2020's and beyond. It is vital that industry, Ofgem and others are fully involved in this process.' (page 12)
- 'Ofgem's role as independent regulator of the gas and electricity markets is a critical part of the landscape that enables delivery of our ambitious energy and climate change objectives – whether by securing the investment in grid infrastructure needed to connect renewable generators, or ensuring that competition is working to minimise consumers' energy bills.' (page 24)
- Ofgem role in offshore wind page 14
- Ofgem's role in smart metering page 5

2. A factsheet "Delivering efficient regulation for energy consumers," is available here: <http://www.ofgem.gov.uk/Media/FactSheets/Documents1/costfsupdate.pdf>

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. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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