

R/46

Thursday 1 November 2007

Ofgem guides energy industry to a more sustainable future

Energy regulator Ofgem has today, in its second annual Sustainable Development Report, set out the progress it has made in encouraging the development of a more sustainable energy industry and the actions it will take next year. It also looks at the future challenges the industry and government face meeting Britain's climate change and sustainability targets.

The report for 2006-07 charts Ofgem's contribution to the environmental, social and economic elements that make up sustainability.

Ofgem Chairman Sir John Mogg underlined that sustainable development is a fundamental part of Ofgem's business:

"In regulating the networks we have opened the way for the massive investment needed to connect the low carbon generation Britain needs to meet its climate change targets. Ofgem has also taken action to make network companies take account of sustainability by putting in place incentive schemes to encourage a reduction in greenhouse gas emissions from networks.

"How customers use or could potentially produce energy also forms an important part of Ofgem's work on sustainability, with Ofgem running the government's £10 million pilot scheme to look at the effectiveness of smart meters and tackling barriers to the increased up take of microgeneration.

"All this work shows how sustainability plays a pivotal role in how Ofgem exercises our statutory powers to protect the interests of present and future customers. It demonstrates that Ofgem is capable of making a significant contribution to the government's objectives on sustainability with our current remit and within the framework of competitive energy markets and independent regulation."

Notes to editors

1. Copies of Ofgem's annual Sustainable Development Report and an accompanying factsheet are available from the Ofgem website at www.ofgem.gov.uk.

2. 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 functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem. The Authority is required to carry out its functions in the manner which it considers is best calculated to contribute to the achievement of sustainable development.

For further press information contact:

Ofgem

Mark Wiltsher: 020 7901 7006 or 07774 728971

Chris Lock: 020 7901 7225 or 07766 511470

