

Minutes of a meeting of the Gas and Electricity Markets Authority

From: Jen Todd
Secretary to the Authority

Date: 20 October 2021

Location: Boardroom 10SC

GEMA meeting minutes for 20th October 2021

1. Welcome and Introductions

1.1 The Chair welcomed all members to the meeting.

1.2 There were no conflicts of interests reported and the minutes of the meeting 29th September were approved, subject to minor amendments.

1.3 The Chair of People and Remuneration Committee updated members on the Transformation programme, noting that following recent staff consultation and feedback, and taking account of the ongoing critical work, members were agreed on the importance of keeping the programme on track, with some amendments made to take account of workstreams.

1.3 The Board were briefed on some of the Chair's recent engagements, which included:

- A bilateral meeting with Chair of the Australian energy regulator, Clare Savage, and
- Engagements with Chairs of energy network companies to discuss board governance.

2. CEO Report

2.1 The CEO, noting that Board members were apprised of his written report, were briefed on some key issues, including:

- An increase in GB's electricity interconnector capacity, with the new North Sea interconnector link to Norway going live on the 1st October, and
- The outcome of staff consultation and feedback on the Transformation programme which had been considered carefully by the Executive Committee and People and Remuneration Committee.

3. Market Update

3.1 Neil Lawrence provided members with an update on the current energy market situation, and members discussed the supplier and consumer risks resulting from the increase in wholesale market prices.

3.2 The Board were briefed on Ofgem's internal work to mitigate these risks which included the 'Supplier of Last Resort' (SoLR), and related processes.

3.3 The Board also noted the external engagement and work with government, industry and other stakeholders to protect consumers and reduce the impact on industry.

3.4 The Board requested that a further market update be scheduled for the November Board meeting.

4. Response Options

4.1 A number of near and longer term retail market intervention options were discussed. The Board also agreed to proceed with a consultation on the Retail Market price cap.

4.2 Boardmembers discussed the impact of rising wholesale prices on industry and consumers, particularly vulnerable consumers.

4.3 The Board requested that further evaluation of the response options be brought back to the Board.

4.4 The Board agreed that the Chair and CEO should write to the Secretary of State to confirm our views on these matters.

5. Security of Supply

5.1 The Board were updated on the current view of the overall security of supply risks for the coming winter, which included the Electricity and Gas System Operators' views.

5.2 In discussion, the Board considered a range of scenarios, each with potential risks and mitigation plans.

6. Retail Market

6.1 The Board invited a wider discussion on the lessons learned from the current market situation and there followed a discussion on how this should be used to inform the design of the future retail model. The Board encouraged innovative thinking which also aligns to the strategic vision and roadmap.

6.2 The Board requested a follow up paper for discussion at a future meeting.

7. COP 26

7.1 Members were briefed on the preparation for Ofgem's programme of events for the upcoming UN Climate Change conference in Glasgow, November 2021. This includes the International Regulatory Energy Transition Accelerator which aims to enhance energy regulators' capabilities and knowledge to accelerate decarbonisation, and a series of daily virtual events.

8. Joint Ofgem/ BEIS Electricity Network Strategy

The Board noted the paper.

9. CCUS Sectoral Package

The Board noted the paper.

10. Delivery and Schemes Director's Report

The Board noted the paper.

11. Communications Insights

The Board noted the paper.

12. Live Cases

The Board noted the paper.

Apologies for absence

None

Those present

Martin Cave
Jonathan Brearley
Paul Grout
Christine Farnish
Lynne Embleton
John Crackett
Myriam Madden
Barry Panayi
Sinead Murray
Akshay Kaul
Philippa Pickford
Simon Wilde

Others present

Vickie Baker (Head of Governance and Secretariat)
Jennifer Todd (Depute Head of Governance and Secretariat)
Mark Engel (Lead Private Secretary)

For specific agenda items

Neil Lawrence (Items 3-6)
Neil Kenward (Items 3-7)
Priya Brambhatt-Patel (3-7)
Richa Smith (3-6)

Minutes



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Lesley Nugent (Item 3)
Karen Mayor (Item 4)
James Doig (Item 4)
Marcia Poletti (Item 6)
Felicity Beverley (Item 7)