

Call for Input

Locational Pricing Assessment – Call for input following first stakeholder session (26th May 2022)

Background

Ofgem is undertaking an assessment of the potential benefits, costs and implementation requirements associated with transitioning to a zonal or nodal wholesale market design. This assessment will evaluate several key design options in a GB context and assess the potential distributional impacts associated with different design options. It will also consider key risks and mitigations associated with such a move, including potential impacts on market liquidity and investment. This will report in Autumn 2022.

This short Call for Input is open to all interested stakeholders. Responses should be submitted to WMReform@ofgem.gov.uk by **Friday 24th June**. If you have any questions related to this work, please contact WMReform@ofgem.gov.uk

Call for input following the 26th May workshop

Regular stakeholder engagement is being used to help evaluate design options, including via a series of stakeholder workshops. Targeted stakeholder workshops have been designed to facilitate discussion in small break-out groups, with attendees selected to reflect a diverse range of stakeholder interests.

The first workshop was held on 26th May 2022 and focused on project objectives, modelling assumptions and methodology and potential wider policy impacts. Subsequent workshops will focus on different elements, including outputs from economic modelling, implementation, and transitional measures.

Alongside this short call for input, we have published a short note summarising the key discussion points from the first workshop. Please contact WMReform@ofgem.gov.uk if you would like a copy of the workshop materials.

We welcome written responses from all interested stakeholders to the questions below. Responses should be submitted to WMReform@ofgem.gov.uk by **Friday 24th June**. If you have any questions related to this work or would like to discuss, please contact WMReform@ofgem.gov.uk

Call for Input

Call for input questions

1. The key opportunities associated with introducing more granular locational pricing in GB;
2. The key implementation challenges, risks and mitigations; and
3. The proposed approach to modelling zonal and nodal market designs.