

## Minutes of a meeting of the Gas and Electricity Markets Authority

From: Vickie Baker  
Secretary to the Authority

Date: 15<sup>th</sup> June 2022

Location: 10 SC London

### GEMA meeting minutes for 15th June

#### 1. Welcome and Introductions

1.1 The Board acknowledged the success of the Ofgem staff conference and thanked all those who worked on it.

1.2 There were no conflicts of interest reported, the minutes of the 10<sup>th</sup> and 11<sup>th</sup> May were approved and two actions identified as completed were agreed to be closed.

1.3 The Chair of the Audit and Risk Assurance Committee updated the Board on ARAC's most recent meeting.

1.4 The Chair highlighted the 'for circulation' papers for the Board's attention. These included:

- Legal Risk Update
- Delivery and Scheme's Director's Report
- Communications Update

1.5 In discussing the Delivery and Scheme's Director's Report the Board noted the risks around the commencement of ECO4 and other possible schemes and steps taken to mitigate those risks.

#### 2. CEO Report

2.1 The CEO, noting that Board members were apprised of his written report, updated the Board on a number of issues, including:

- The possibility of a difficult economic, social and political environment over the coming 12 months;
- Net Zero Consultation;
- National Audit Office Report; and
- Storm Arwen.

#### 3. RIIO ED2 – draft determinations

3.1 The Board agreed with the Level 1 and Significant Decisions in line with the Executive Recommendations as set out in the paper.

3.2 The Board agreed with the proposed approach to raising the treatment of higher inflation on returns as part of the draft determination consultation.

3.3 The Board agreed to delegate authority to the ED2 SRO (Deputy Director, Price Control Setting) to finalise totex allowances subject to any marginal changes from final cross checks and quality assurance processes.

3.4 The Board agreed to delegate authority to the ED2 SRO to approve publication of all Draft Determination documents.

#### **4. Hydrogen Updates**

4.1 The Board noted the need to adopt a strong consumer focus in this area and identify at the start the claimed consumer benefit. The Board agreed to consider the matter further in September with a clear framework for assessing consumer return on possible projects.

#### **5. Onshore electricity investment**

5.1 The Board agreed that Ofgem should work to develop and consult the package of measures (Provide early certainty on regulatory funding, streamline the regulatory approval process, targeted exemption from competition and accelerated delivery incentive) in the paper.

5.2 The Board agreed with the paper's proposed next steps and proposed timetable to finalise next steps but noted the need for further discussion on the appropriate balance to strike between speed of delivery and consumer risk.

#### **6. SoLR Levy Claim process**

6.1 The Board agreed that Ofgem will consult on a minded-to position that all SoLRs should be able to recover costs incurred until at least the 31 March 2022 ie when the price cap adjusted (option 2).

#### **7. Strategic Risk Deep Dive**

7.1 The Board discussed risks to Ofgem achieving its goals due to insufficient resources and steps taken to mitigate these risks.

#### **8. Draft Annual Report and Accounts**

8.1 The Board considered the draft Annual Report and Accounts. The Board agreed to delegate to the ARAC its recommendation to the Accounting Office to approve and sign the final Annual Report & Accounts, subject to National Audit Office opinion.

#### **9. Rules of Procedure**

9.1 The Board reviewed its current Rules of Procedures, and discussed a number of possible improvements to the Schedule of Reserved Matters, with final proposals to return to the Board for approval in July 2022.

## **Apologies for absence**

Simon Wilde

## **Those present**

Martin Cave  
Jonathan Brearley  
Lynne Embleton  
John Crackett  
Myriam Madden  
Barry Panayi  
Christine Farnish

## **Those attending**

Philippa Pickford  
Sinead Murray  
Akshay Kaul

## **Others present**

Vickie Baker (Head of Governance and Secretariat)  
Hamish Finlay (Deputy Head of Governance and Secretariat)  
Ashley Stewart (Governance and Secretariat Manager)

## ***For specific agenda items***

Priya Brahmhatt-Patel (items 2, 3 & 6)  
Neil Kenward (items 2-5)  
Jonathan Gorrie (item 3)  
Steve McMahon (item 3)  
Ben Burke-Davies (item 3)  
Rebecca Pickett (item 4)  
Jourdan Edwards (items 4 & 5)  
Shankar Rajagopalan (item 5)  
Neil Lawrence (item 6)  
Leigh Rafferty (item 6)  
Chris O'Connor (items 7 & 8)  
Caroline Byrne (item 7)  
Karen Boyle (item 7)  
Tom Mcfadden (items 7 & 8)  
James Kilmartin (item 9)

# Minutes



Making a positive difference  
for energy consumers

Cristina Luna Estaban

(NED observer)