
Minutes of the meeting of the Gas and Electricity Markets Authority

From: Eilidh Alexander (Secretary to the Authority)

Date: 06 and 07 February 2024 (and 24 January 2024 Extraordinary meeting)

Location: London

GEMA Extraordinary Meeting 24 January

1. Ofgem Multiyear strategy

The Board met in January to discuss Ofgem's draft Multiyear strategy ahead of its publication in March, and its strategy for Delivery and Schemes.

GEMA minutes for 06 February

1. Welcome

Mark McAllister welcomed the Board to the February GEMA Briefing meeting.

2. Ofgem approach to the smart meter rollout.

The Board discussed the deep dive paper on the smart meter rollout, including its progress, the key challenges and the underlying policy framework and design.

3. Financial resilience and capital requirements - overview and scheme of delegations

The Board discussed the update provided on the Financial resilience and capital requirement programme.

4. Board Speakers: Fintan Slye, Executive Director of National Energy System Operator (ESO/NESO); and Kayte O'Neill (Chief Operating Officer of ESO/NESO)

The Board welcomed Fintan Slye, Executive Director of National Energy System Operator and Kayte O'Neill (Chief Operating Officer of ESO/NESO). Fintan and Kayte presented on their perspectives on the Wholesale Market reform, including the opportunities for designing reforms to deliver efficient market incentives for the system.

GEMA minutes for 07 February

1. Welcome

No conflicts reported

2. Update from PRC Chair from the November meeting

The Board noted the update from Warren Buckley as incoming Chair of PRC.

3. Update from ARAC Chair on the December meeting

Myriam Madden, Chair of ARAC, provided an update on the December ARAC meeting.

4 CEO Report

The Board noted the CEO report, with particular interest in the updates on Pre-payment meter policy, the migration to Sharepoint intranet, and the updates on generation capacity.

5 Quarterly strategic performance report

The Board discussed the key performance indicators within the Quarterly strategic performance report.

6. System efficiency, wholesale market and charging reform

The Board noted the deep dive in system efficiency, wholesale market and charging which included the discussion on the need, and visibility of the work underway, to reform wholesale market and charging arrangements.

7.1 Incremental Price cap reform: Debt related costs Benchmarking

The Board discussed the proposals for a revised position for the decision on the bad debt allowance, changing from a lower quartile benchmarking approach to a hybrid approach. The Board approved the decision to change to a hybrid benchmark approach for debt related which would increase the direct debit and standard credit cap by £31, an increase of £15 compared to our statutory consultation position.

7.2 Incremental Price cap reform: Future of the ban on acquisition tariffs

The Board noted the update on the proposals to use our power to extend the Ban on Acquisition-only Tariffs (BAT) by a year. The Board approved the decision to extend the BAT for a year via written notice, then issue a statutory consultation on whether that extension should end after six months.

7.3 Incremental Price cap reform: Price Cap Strategy

The Board discussed the proposals to publish a consultation on potential options to the simplifying the Price Cap and the future of the retail market.

Apologies for absence

Jonathan Kini

Those present

Mark McAllister

Jonathan Brearley

John Crackett

Myriam Madden

Barry Panayi
Warren Buckley
Tony Curzon-Price
Alena Kozakova
Graham Mather

Those attending

Neil Lawrence
Sinead Murray
Neil Kenward
Tim Jarvis
Melinda Johnson
Priya Brahmbhatt-Patel
Eleanor Warburton

Others present

Eilidh Alexander (Head of Governance and Secretariat)