

Ofgem RIIO-3 and ED3 Committee terms of reference

December 2025

1. Purpose of the committee

- 1.1 The Committee of the Authority (CoA) offers guidance and steer to the RIIO-3 and ED3 programmes on matters put forward to it and advises GEMA before it makes decisions.
- 1.2 The role of the CoA is advisory only.
- 1.3 It provides members with a greater level of engagement with the RIIO-3 and ED3 programmes, to develop a detailed understanding of matters relating to network price controls and of the factors at play in critical decisions to programme delivery.
- 1.4 The CoA engages with the RIIO-3 and ED3 matters and decisions in line with the categorisation of decisions and scheme of delegation described in **section 2** of this document.

2. Categories of decisions and scheme of delegation

- 2.1 There are three categories of price control decisions:

Type of decision	Description
Level 1 strategy decisions	Any decisions regarding the strategy, design and overall approach to control or limit the charges, incentives or revenues of a licensee
Level 2 significant impact decisions	Any decisions that can have a significant impact on network charges paid by consumers through Draft and Final Determinations, or that carry a significant reputational or legal risk to Ofgem; or any final policy decisions informing proposals to modify significantly any licence conditions that control or limit the charges, incentives or revenues of a licensee
Level 3 methodology decisions	Any decisions on the methodology for implementing Level 1 and 2 decisions across Draft and Final Determinations and the licence or decisions that have a low materiality impact on network revenues

- 2.2 In line with the agreed Scheme of Delegation, all Level 1 and Level 2 decisions are reserved to GEMA.
- 2.3 The CoA is responsible for:
 - 2.3.1 Guidance on all Level 1 decisions prior to submission for GEMA.
 - 2.3.2 Guidance and direction on Level 2 decisions as prioritised by the CoA Chair prior to GEMA decision.
 - 2.3.3 Guidance and direction on delegated Level 3 decisions as escalated by the RIIO-3/ED3 SRO or where requested by the CoA Chair.

3. Membership

- 3.1 The CoA is made up of GEMA and executive members. The CoA Chair will be a non-executive member.
- 3.2 Other attendees may be invited to CoA meetings as agreed by the CoA Chair or as required by the committee on an ad-hoc basis.

4. Meetings and procedures

- 4.1 The CoA will meet according to the requirements of the RIIO-3 and ED3 stage in the programme lifecycle. It is expected to meet on a monthly basis (or as otherwise agreed by the CoA), starting in February 2025. A review of the frequency of CoA meetings will be conducted at the end of the RIIO-3 price review (or as otherwise instructed by the Chair).
- 4.2 A quorum is set at three members (including the Chair and one other non-executive member of GEMA).
- 4.3 The RIIO-3 and ED3 PMO and/or Ofgem's Governance and Secretariat team will provide Secretariat functions to the CoA.
- 4.4 Papers and the agenda for meetings should be circulated at least three clear business days prior to the date of the meeting for members to read and consider.
- 4.5 Meetings will be held in person with the option to attend online.
- 4.6 The CoA might – with written consent from the Chair – consider some matters by correspondence in addition to the planned meetings. However, this approach will be invoked in exceptional circumstances only.

5. Reporting

- 5.1 The CoA Chair will send GEMA a monthly report with a high-level assessment of the outcomes of each meeting. Minutes from the meetings will be available to GEMA members.

5.2 Minutes will be approved at the following CoA meeting.

6. Amendments to this document

6.1 These terms of reference will be reviewed at least once a year.

6.2 Any material amendments to the terms of reference must be approved by GEMA in accordance with GEMA's Rules of Procedure.