

Microgeneration: Current Ofgem initiatives

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Ofgem Microgeneration Forum 2

20 October 2006

Agenda

1. Microgen next steps document
2. Metering
3. Supply licence review
4. Export reward

High-level Ofgem policy objectives

- to ensure that obstacles to the development of microgeneration are identified and addressed
- where appropriate, to work with government to ensure that any financial support is well-designed and works with the market framework

Microgeneration next steps

Initiatives:

- Microgeneration forum
- Joint DTI/OFGEM Review of Distributed Energy
- Powering the Energy Debate seminar (13 Dec)
- ENSG work on export rewards
- Smart metering
- Supply licence review
- Environmental programmes

Metering and microgeneration

- Ofgem's first interoperability working group meets on 30 October
- Suppliers are defining smart metering functionality and comms protocols they will agree to support – these standards could be developed to deal with microgenerators (eg. Treatment of import and export data)
- We invite other stakeholders to provide input to set the agenda

Helping consumers become generators

- As customers become more sophisticated, they will want one-stop-shop arrangements – possibly based on more varied contract terms
- Our supply licence review takes away barriers to suppliers meeting these customer needs e.g. 28 day rule
- We are looking closely at a number of restrictions on contract terms to see if the customer interest is best served by the current licence rules
- Interim proposals to be published in November

Facilitating export reward

- The market needs simple arrangements and fair prices for the sale of exports
- But microgenerators often do not get price offers
- ENSG is addressing the issue – but that is only the start
- ➔ Suppliers should come forward with commercial solutions – but if they don't, we will intervene

Environmental Programmes

- We are working with Defra and the DTI to implement recent legislative changes to the RO and EEC
- We continue to work to ensure that our administrative procedures as easy to use as possible for microgenerators.



Promoting choice and value for all
gas and electricity consumers