

Dear Lord Mogg,

Thank you for your letter inviting **The Lighting Association** to contribute to the development of the **Ofgem strategy for the period 2009-2014**.

Firstly I should let you know that Keven Verdun has now retired from his position as CEO of The Lighting Association and I would appreciate it if you could note that I have taken over as his replacement.

I understand that we have had a good working relationship with Ofgem over the years and it is my wish that this should continue.

In answer to your questions I would like to contribute the following views for consideration in building your strategy:

The Lighting Industry faces a number of challenges in the next few years, in particular the transition from incandescent through CFL and energy efficient halogen towards LEDs. During this period it is vital that industry is encouraged to accelerate the development of new technology through key drivers to market transformation. We consider CERT to be one of these key drivers.

The current DEELS scheme operated by the Association will continue to be important as, for technical reasons, the principal advances in LED technology in the longer term will be made in dedicated luminaires rather than replacement lamps. Financial incentives are required to ensure these are encouraged. In the shorter term we expect to see replacement lamps become available and these must also be supported through CERT.

We have specific concerns that larger retailers are increasingly trying to claim subsidies directly. This practice will have little or no control and allows retailers to potentially import poor quality product and claim subsidies with no method to check on quality and performance. Currently suppliers are bound by specific performance criteria which are audited before they reach the market. By taking away the subsidies from suppliers the incentive is removed for them to develop energy efficient products at a time when they are needed most. It is also our concern that subsidies claimed by retailers might be used to supplement their own profit margins, this would explain their desire to operate in this way.

The Market Transformation Programme states that we should currently be encouraging the supply of energy efficient luminaires to the energy poor which essentially means DEELS and ESR approved products. Allowing retailers to claim direct subsidies will not contribute to this aim.

Another strong market driver is Green Public Procurement and the adoption of DEELS registered product for this purpose will provide a further incentive for suppliers to develop energy efficient luminaires.

The Lighting Association is looking to OFGEM to continue to support the UK phase out of inefficient lamps.

In conclusion we maintain that OFGEM's strategy must be to ensure that every incentive is given to industry to develop new energy efficient technologies through properly audited schemes. Only this way can the funding provided be guaranteed to be effective in reducing our energy consumption. We are happy to have these comments made available in the Ofgem library and on the website.

Yours sincerely,

Peter Hunt