

# Press Release

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## OFGEM ANNOUNCES MEASURES TO SPEED UP ENERGY INDUSTRY REFORMS

### **Proposals will cut red tape, speed up the reform process and allow consumer representatives to participate more actively**

Ofgem publishes today (Wednesday) final proposals resulting from the Code Governance Review to introduce a wide range of changes to the industry codes (the set of rules that underpin the gas and electricity industry in GB) that will:

- make the existing arrangements more transparent and accessible, increasing the scope for smaller players and consumer groups to participate;
- speed up and simplify code reform processes so that large scale and complex changes can be made more quickly; and
- reduce the regulator's role in code modifications that have little or no customer impact, allowing the industry more self-governance in line with better regulation principles.

Ofgem's Senior Partner for Transmission and Licensing, Stuart Cook, said: "Ofgem's Code Governance Review has confirmed the need to modernise the UK's energy industry codes to help speed up the essential reforms necessary to effectively maintain security of supply and smooth the transition to a low carbon energy sector".

The two-year Code Governance Review subjected the existing industry codes arrangements to a thorough overhaul involving extensive consultation. Ofgem has now concluded that there are a number of deficiencies in the existing framework that:

- have caused significant delays to essential reform, with consequential detriment to customers; and
- threaten the ability to deliver the reforms necessary to meet the security of supply and environmental challenges facing the industry.

Reforms include proposals to:

- give network users and other materially affected parties the right to raise proposals to modify network companies' charging methodologies; and
- clarify the requirement to assess the environmental impacts when considering proposals in accordance with Ofgem's guidance.

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## **Notes to editors**

1. The Code Governance Review was launched in 2007. It is part of Ofgem's commitment to better regulation principles to reduce administrative burden on business while maintaining effective consumer protection. The final proposals document and other associated documents have been published here:  
[www.ofgem.gov.uk/Licensing/IndCodes/CGR/Pages/GCR.aspx](http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Pages/GCR.aspx)
2. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

### **For further press information contact:**

<b>Chris Lock</b>	<b>020 7901 7225 / 07766 511470</b>
<b>Alison Wright</b>	<b>020 7901 7217 / 07771 980297</b>