

DSWG Update: Other Ofgem Issues

The table below gives a brief overview of other developments within Ofgem that may have some relevance to Demand Side Response. Please contact me on phil.slarks@ofgem.gov.uk if you would like more detail on any of the below.

From Phil Slarks
 To DSWG
 CC
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Issue	Detail
Ofgem Smarter Markets Strategy work on DSR	<ul style="list-style-type: none"> • This year we will publish a consultation seeking initial views on the scoping phase of our Smarter Markets Strategy. This will aim to: <ul style="list-style-type: none"> ○ Explain opportunities for customers to benefit further from the rollout of smart metering. ○ Address Ofgem’s role in relation to market developments designed to deliver these arrangements ○ Gather feedback from stakeholders, identifying key issues which we will need to explore and address. • The stakeholder feedback from this consultation will feed into our programme of work for next year. One work area will be on demand-side response. • Demand-side response is one area with clear potential for customers to benefit through better system management (throughout the network). • Our consultation will seek views of what the key issues are for take-up of demand-side response, including barriers to uptake, the effect of smart metering, potential impacts of demand-side response uptake and potential market arrangements within which demand-side response could proliferate.
Gas SCR	<ul style="list-style-type: none"> • As stated in the letter published in July, Ofgem is aiming to publish a draft policy decision on the Gas SCR in the autumn, so we are going through our internal decision making processes at the moment. • Following release of our draft policy decision we will be running a 12 week consultation. In this time interested parties can provide written responses and will be invited to attend workshops to develop the details of the proposed policy recommendation. • During this period we also expect to consult on the detailed legal drafting that will be required to implement our recommended reform option.
Electricity cash-out SCR	<ul style="list-style-type: none"> • In August 2010, Ofgem consulted on whether to undertake an SCR in relation to electricity cash-out. Following that consultation, we have been waiting for the Government’s EMR white paper, given the interactions between cash-out and the capacity mechanism proposed as part of DECC’s Electricity Market Reforms. • We are now developing a high level consultation on electricity cash-out for publication in the Autumn.

<p>Project TransmiT</p>	<ul style="list-style-type: none"> • As a consequence of some of the feedback we have received from stakeholders in the course of the SCR so far, we think it is appropriate to add some additional steps to the TransmiT process. • This includes extending the scope of the modelling work commissioned and giving the technical working group and other stakeholders an opportunity to comment on the outcomes of the modelling. • This means that it is necessary to extend the timetable for the SCR. We now expect to consult on potential options for TNUoS change in December 2011, and make final recommendations, if appropriate, under the SCR in March 2012. • We continue to urge industry to implement any appropriate changes as quickly as practicable after we issue our final recommendations. • Further details can be found at: http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/110909_TransmiT_charging_SCR_update.pdf
<p>RIIO</p>	<ul style="list-style-type: none"> • The four transmission companies have submitted and published their RIIO-T1 business plans at the end of July. • To improve transparency and assist our analysis, we sought stakeholders' feedback on business plans in early September. • We will publish our initial assessment of the business plans in October 2011.