

Smarter Markets Coordination Group – Terms of Reference

1. Purpose

- 1.1. The purpose of the Smarter Markets Coordination Group (SMCG) is to provide a forum through which the Smarter Markets Programme ('the programme') can consult with senior figures from across key stakeholder organisations:
 - To identify risks and issues at a strategic level and consider potential mitigations
 - To consider dependencies within the programme and with other regulatory changes to inform programme planning
 - To identify further opportunities for reforms which could fall within the programme's scope
 - To consider the approach for harnessing stakeholder expertise for each project within the programme.

2. Resources

- 2.1. The SMCG will be led by Ofgem.
- 2.2. Colin Sausman (Partner, Retail Markets and Research) will chair the group. The secretariat function will be discharged by Ofgem.
- 2.3. Meetings will be held at Ofgem's offices at Millbank, London.

3. Membership

- 3.1. Membership is by invitation only.
- 3.2. Membership of the SMCG is at the discretion of Ofgem and will reflect the purpose of the group and the scope of its remit.
- 3.3. Ofgem will have the discretion to invite interested parties on an ad hoc basis to attend any meeting to discuss specific issues.

4. Review

- 4.1. The Terms of Reference and membership of the SMCG may be reviewed at any time to ensure that they remain appropriate for the requirements of the programme.

5. Rules of Participation

- 5.1. Any discussion in meetings and views expressed or implied in such discussion or associated documents are without prejudice to, and shall not limit the discretion of the programme team with regard to final decisions. Equally, views expressed by participants during meetings will not be taken as the formal position of the company they are representing, and will in no way prejudice consultation responses.

6. Transparency

- 6.1. The schedule of meeting dates, agendas and minutes will be published on the Ofgem website.

7. Meetings and frequency

- 7.1. The SMCG will meet around three times per year, with the inaugural meeting held early in 2013. Meeting requests will be circulated to relevant people in advance.

8. Background

- 8.1. The roll-out of smart metering can be a catalyst for change in the energy sector, helping to create 'smarter markets' that are more efficient, dynamic and competitive, delivering better outcomes for consumers. However, without changes to market arrangements the potential for market development will be constrained.
- 8.2. On 31 July 2012, Ofgem published a work programme setting out the steps we will take to help drive reforms.¹ We have prioritised four areas: change of supplier processes, electricity settlement arrangements, the regulatory and commercial framework around demand-side response and the arrangements that govern how consumers engage with the market. We have established the Smarter Markets Programme to manage these projects in a coordinated way.
- 8.3. The programme has a wide range of stakeholders, from industry, consumer groups and others. The team is committed to engaging effectively with our stakeholders from an early stage. The establishment of the SMCG is part of our approach to stakeholder engagement.

¹ *Promoting smarter energy markets: a work programme*, Ofgem, July 2012.