

## **Smarter Markets**

Consumer Empowerment & Protection

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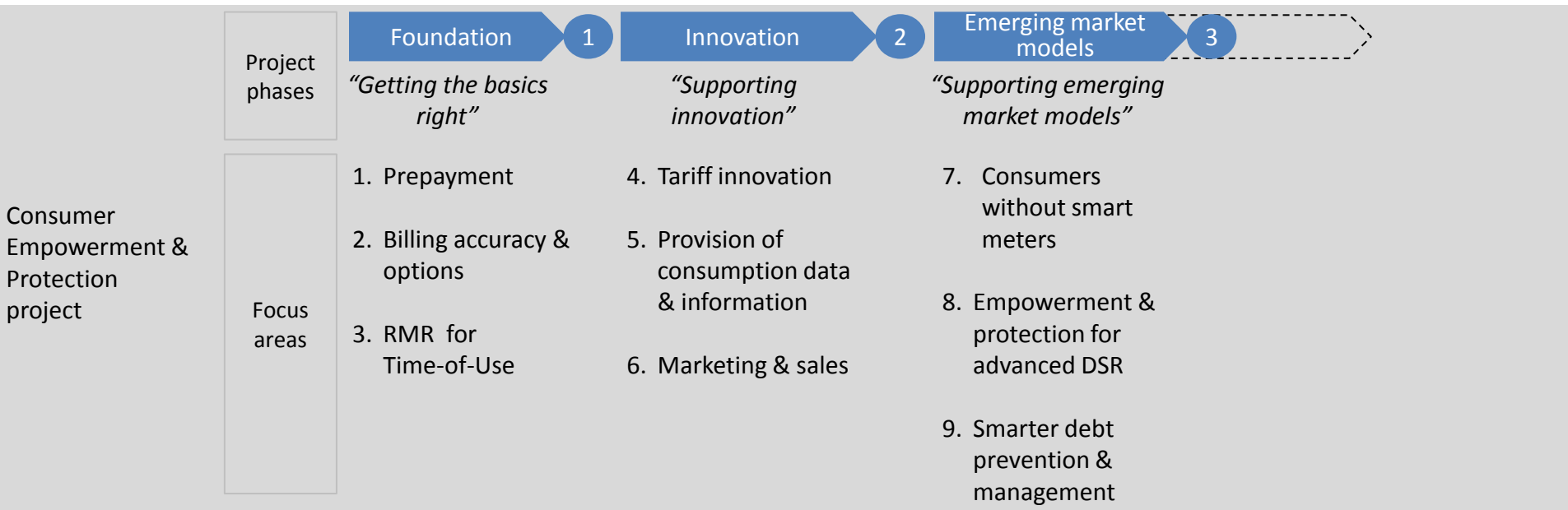
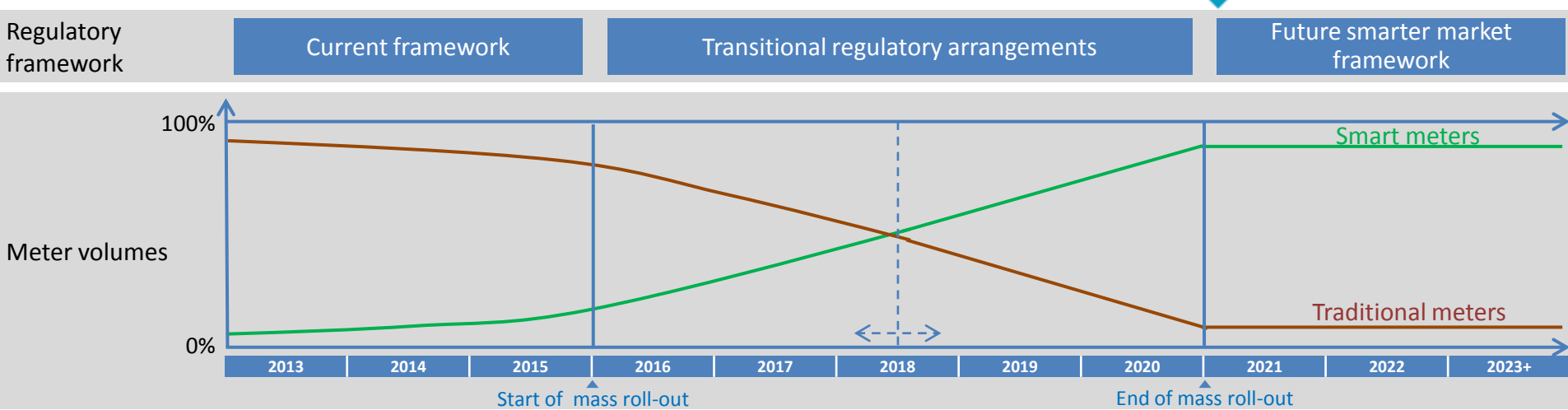
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**Long-term objective:** “Regulatory arrangements that empower and protect consumers to participate effectively in smarter retail energy markets, recognising the opportunities and risks involved.”

**Work to-date:**

- We have engaged with stakeholders on the identification of consumer opportunities and risks
- We have defined and prioritised ‘focus areas’ for a proposed work programme (for consultation)
- We have started work on a Distributional Analysis to understand the potential impact of ToU tariffs on consumer bills

# Proposed focus areas and prioritisation



- Do you agree with the focus areas?
- Do you agree with the grouping and prioritisation?
- Do you agree with the high-level objectives for the Phase 1 focus areas?  
→ *This will set out a level of aspiration for what we want to achieve*



In  
progress

### **Consultation paper will be released in December:**

- We are keen to reach a wide range of stakeholders
- We welcome informal and formal responses

### **In Q2 2014 we will produce a follow-up document which:**

- Summarises stakeholders' responses
- Sets out the overall work programme
- Sets out a detailed workplan for Phase 1

- We have commissioned the Centre for Sustainable Energy to support us with a Distributional Analysis of the potential materiality effects of time-of-use tariffs on consumer bills
- Our main objective is to start understanding the impact of TOU tariffs on consumer bills
- We will also use this opportunity to start identifying typical consumption profile segments based on smart metering data
- We are using two datasets, including the trial data from the 2010 Energy Demand Reduction Project
- We expect results at the end of October, and hope to include any relevant and meaningful insights in the Consumer Empowerment & Protection paper

**Ofgem is the Office of Gas and Electricity Markets.**

**Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.**

**We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.**