

Smarter Markets Programme

SD Advisory Group

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ofgem

- Roll-out of smart metering presents an opportunity for consumers. This requires complimentary changes to the arrangements that govern how industry participants interact with each other and consumers. Ofgem is helping to drive the necessary reforms through the Smarter Markets Programme.
- We have developed a Vision for the Programme. This is important as:
 - it provides a clear representation of the drivers of the Programme
 - it demonstrates how our work fits into a broader picture for Smarter Energy Markets
 - it provides a touchstone against which we can continually ensure the Programme remains on track and is focusing on the right areas.
- There are two parts to our Vision:
 - (1) The Context (Slide 3) – sets out the challenges for the Programme and the drivers for change.
 - (2) The ‘Vision on a Slide’ (Slide 4) – this is the basis of our Vision for Smarter Markets.

Challenges

Sustainability

Security of supply/ energy
efficiency

Affordability and associated
distributional impacts

Ensuring effective competition

Consumer trust and confidence

Smarter Energy Markets



Drivers for change

Rollout of
smart metering by end 2020

Changing nature of markets and
consumers including local &
community energy schemes

Ensuring all consumers including
vulnerable consumers can
access smart meter benefits

The RMR framework creating a
framework for a
'simpler, clearer, fairer' market

European context

Council of European Energy Regulators (CEER)
2020 Vision for Europe's energy consumers

Delivering better outcomes for **all consumers** through the creation of **smarter energy markets** that are **efficient, dynamic and competitive**.

Consumers are **empowered** by a market that delivers greater visibility, clearer **information**, **reliable switching** and **targeted protection**



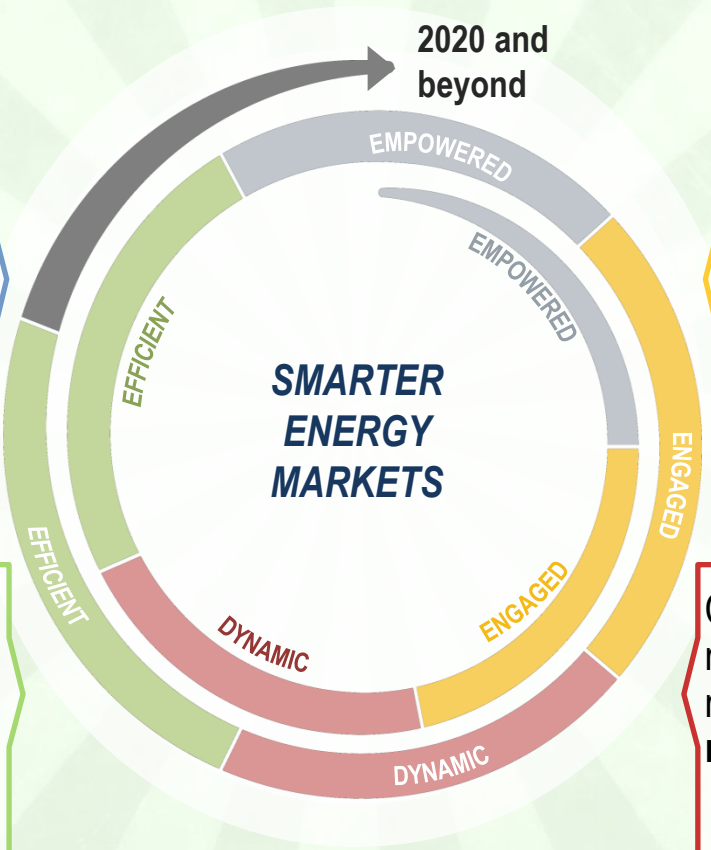
Consumers have more **control**, increased levels of **trust** and consequently are more **engaged** in the market



Consumers and providers become more **efficient** in the way they **use energy** and **interact with the market**



Consumers are part of a **dynamic** market with **greater competition**, more **innovation**, **better service**, **new entrants** and **new offers**



Continually building on the smart meter roll-out to create **smarter markets** in which **all consumers** have **confidence** and which support the **differing needs** of consumers.

We welcome views on the following areas:

- Do you agree with the Vision?
- Is there anything the Vision does not capture?
- What would you like to see reflected in our 'Road Map' for delivering the Vision?