



Making a positive difference  
for energy consumers

To generators, shippers, suppliers,  
network companies, consumers and their  
representatives, the sustainable  
development community, investors and  
other interested parties

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Dear Stakeholders

### **Ofgem Simplification Plan 2014/15**

In everything we do, we are required to have regard to best regulatory practice, including the need to be transparent, accountable, proportionate, consistent and target our resources only where action is needed. We are also required to keep under review the burdens we place on businesses and to address burdens that we consider have become unnecessary. To demonstrate how we are meeting these requirements we produce an annual Simplification Plan. The Simplification Plan highlights what we have done and what we intend to do to make our regulation more effective and ensure that our approach remains proportionate and efficient.

These aspirations are embedded across the whole range of our activities, for example:

- through the RIIO framework's focus on well-justified business plans and use of the fast-track mechanism for good performers
- in the principles-based Standards of Conduct, which acknowledge that there is more than one way to achieve required outcomes
- our promotion of reputational regulation, for example publication of supplier complaints handling data, so that consumers can more easily compare performance
- in the evolution of the offshore transmission regime, where lessons learned are fed back into process improvement.

We have already delivered on several commitments in the 2013/14 Simplification Plan, published last September. We have produced our Transparency Policy Statement, marking a significant step forward in our approach to transparency of our data. The 2014/15 Simplification Plan will include additional workstreams developed from our commitments on transparency. In addition, we have also delivered the commitment to publish advance agendas for Authority meetings. In some areas of our work we have gone further than planned. For example, we recently published an open letter setting out our approach on regulatory compliance.

As well as providing an update on our current commitments the new Plan will present an overview of our work to reduce burdens and embed best regulatory practice across our activities. Since our initial Simplification Plan in 2006 we have implemented large-scale reforms in many areas, to ensure that our regulation of the sector remains fit for purpose. By drawing these together in the forthcoming Plan, we aim to present a picture of what we

have achieved, the lessons learned from this experience and where we intend our better regulation work to go in future.

On upcoming work, the 2014/15 Plan will set out commitments for the year ahead. In particular, we propose to focus on:

- aspects of our work in relation to independent suppliers and generators, for example around compliance and licensing options
- how we might review processes to enable greater consistency, for example in interconnector regulation and in work on European network codes
- continuous improvement, working with others through our participation in the UK Regulators' Network (UKRN) established to enhance coordination across regulated sectors, and internally, for example in further evolution of the offshore regime.

We also want your views on what more we could do to simplify, clarify and make our regulation work better. Anything included in the Plan should further the principles of better regulation, so we are looking in particular for actions that could help us to be more proportionate, accountable, consistent, transparent or targeted in how we work. Suggestions must be capable of delivery by Ofgem, as we cannot make commitments for others.

All suggestions should be sent to Mark Wagstaff, Ofgem, 9 Millbank, London SW1P 3GE or to [mark.wagstaff@ofgem.gov.uk](mailto:mark.wagstaff@ofgem.gov.uk) **by Monday 2 June**. Any responses which the respondent does not wish to be published should be marked as confidential.

We look forward to hearing your ideas.

Yours sincerely



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