

CMA Remedy Implementation Strategy

Strategy

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Overview:

The Competition & Markets Authority published its final report into the energy market on 24 June 2016. The report sets out a significant package of remedies including a substantial proportion in the form of recommendations for Ofgem to implement (Appendix 1) as well as giving rise to associated work to support remedies being taken forward by the CMA and others. This document sets out our implementation strategy to inform stakeholders and industry parties.

Associated documents:

Ofgem's referral to the CMA, with reasons for the referral:

<https://www.ofgem.gov.uk/publications-and-updates/consultation-proposal-make-market-investigation-reference-respect-supply-and-acquisition-energy-great-britain>

CMA final report:

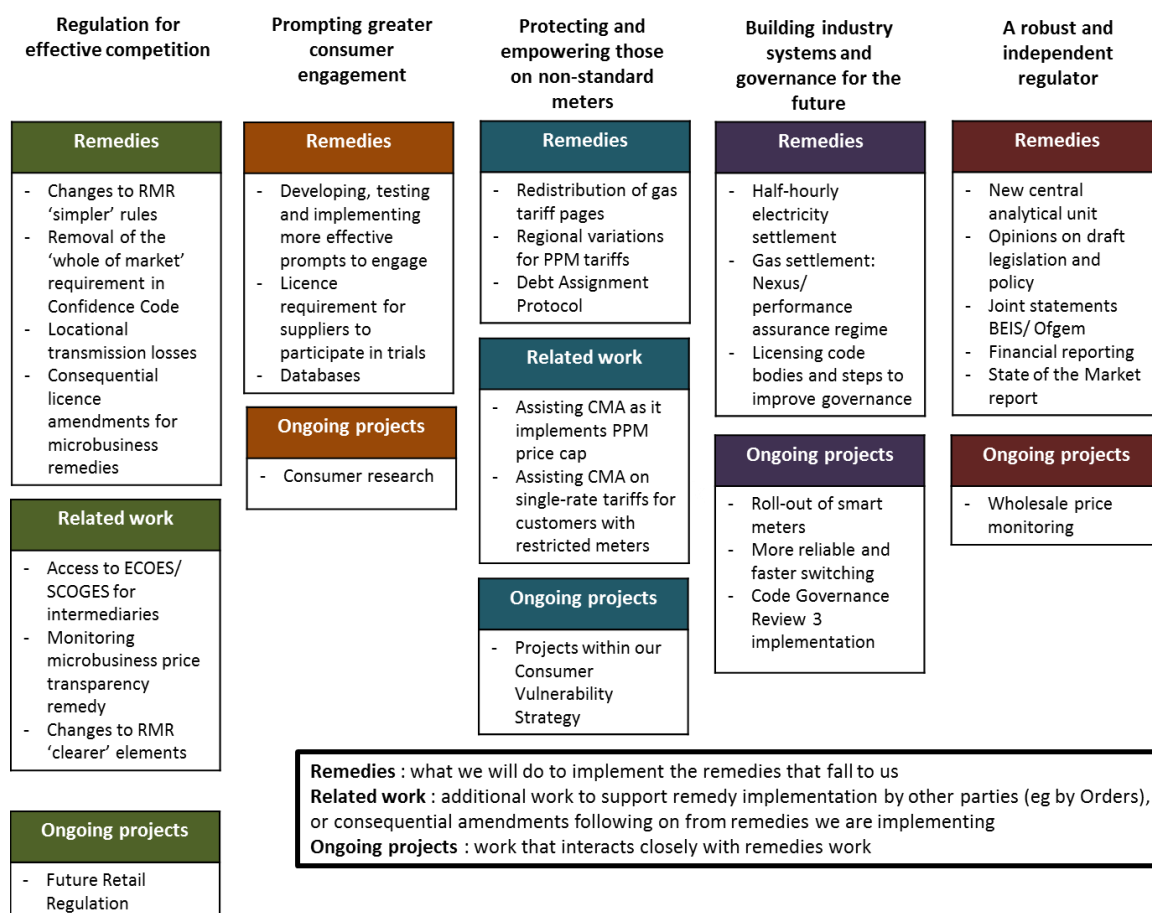
<https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Introduction

The CMA's final report on its Energy Market Investigation has set out a significant package of remedies. There are over 30 remedies, with a substantial proportion of these in the form of recommendations to Ofgem, in addition to the matters the CMA is taking forward itself either pursuant to orders or undertakings.

In acting on the remedies Ofgem will be seeking to maximise consumer benefits and deliver the remedies in line with the wider findings and substance of the CMA's report.

We have clustered the CMA recommendations to Ofgem around five high-level objectives, as set out in the chart below. We see these objectives as being substantially in line with the CMA's own grouping of its proposed remedies under specific overarching aims. We will be structuring our work around these five objectives. The rest of this document explains the high-level approach and indicative timelines for the work in each of these clusters.



How we will act

For all its activities, Ofgem must work within its statutory framework, taking account of our principal objective and general duties. Where remedies fall to us, this is likely to include the need to consult, to ensure the proposed solution is appropriate. Throughout the implementation process, we will be monitoring and evaluating the success of the remedies against the overarching aims. Where our work indicates that a remedy as originally specified is no longer likely to achieve the overarching aim or is no longer required, we may amend the solution as appropriate and proportionate.

We recognise that remedies implementation will place additional burdens on the industry, particularly suppliers. To manage this burden, we will prioritise the implementation of remedies which have the largest consumer impact first and are looking to run workshops and publish consultations in a way that minimises the burdens on those involved.

A summary timeline of the immediate remedy implementation actions is included as Appendix 2 to this document. This is intended to give stakeholders an early idea of our plans and will be kept under review as we progress with implementation of the recommendations. We will publish a detailed implementation plan in the autumn.

Regulation for effective competition

Our approach

The CMA's remedies in this cluster aim to deliver effective competition through:

- (a) Allowing suppliers freedom in their tariff setting;
- (b) Enabling price comparison websites to compete with each other and suppliers;
- (c) Supporting changes to the system for charging for electricity transmission losses;
- (d) Delivering positive changes for microbusinesses;
- (e) Ensuring intermediaries gain access to relevant data.

To give suppliers freedom in their tariff setting, we are making changes to the RMR 'simpler' rules recommended by the CMA whilst, at the same time, ensuring that consequential changes are made to related 'clearer' rules to ensure the package is coherent and consistent. Licence changes we are making in this cluster are in line with our move to rely more on principles and less on prescriptive rules, as part of our Future Retail Regulation project. We have published a consultation today on new principles around tariff comparability and marketing. These are designed to ensure consumers are able to make informed tariff choices. We will be going further than the CMA has recommended in terms of rules that we remove and in terms of how we regulate.

In respect of the remedies relating to the Confidence Code, we are consulting on removal of some of the changes we made to strengthen the whole of market requirement in the 2015 Code Review (specifically changes around the requirements on default views, filter choice, filter wording/testing and listing of exclusive site/supplier deals). We also propose to make consequential amendments to the Code around the Personal Projection, to ensure consistency with the overall CMA package of remedies. The changes proposed would allow price comparison websites increased flexibility on how they display tariffs and greater incentive to innovate. Under the Confidence Code, accredited websites would still be required to remain independent of suppliers and to display tariffs to consumers accurately and transparently, including the market coverage provided.

In addition, we will work closely with National Grid and industry parties to support the implementation of the CMA's locational transmission losses remedy by April 2018. We call on industry to engage constructively in the modification process.

We will also play a proactive role in supporting the CMA orders relating to microbusinesses and intermediaries, including making any consequential amendments to licence conditions of microbusiness suppliers resulting from CMA orders on suppliers to disclose their prices publicly and prohibiting restrictive auto rollover clauses that lock in customers. We will also be putting in place arrangements to monitor compliance with, and the impact of, the price transparency remedy.

We recognise the importance of intermediaries in enabling effective competition. We will review our regulatory framework in this area to ensure it supports competition and good consumer outcomes.

We urge suppliers to move quickly to expedite the code modifications relating to ECOES and SCOGES and code bodies to manage such code modification processes effectively to ensure that intermediaries have access to relevant data. We will work with government to ensure the effective implementation of new Midata rules.

Priorities

We are fast-tracking key elements of these remedies as far as we can so that consumers can benefit from greater competition as soon as possible. We held an industry workshop on 25 May to seek views on the proposed changes to 'simpler' and 'clearer' rules as well as the Confidence Code and have used this feedback to support the consultations issued today.

Milestones

- Today we have published two statutory consultations¹ (one for gas and one for electricity) on removing some of the RMR 'simpler' rules (including the limit on the number of tariffs) to allow suppliers to compete and innovate in designing tariffs. We expect that the rules will be removed by the end of this year. We have already flagged that we do not generally envisage that it would be appropriate to take enforcement action in relation to these rules ahead of their removal.
- We have also published today a policy consultation² on consequential changes to the 'clearer' elements of the RMR package, to ensure that the requirements placed on suppliers are a consistent and coherent package and to deliver the CMA's proposed principle that suppliers provide clear information for customers to compare tariffs. We will seek to conclude our work on these changes in early 2017.
- In addition we have published a consultation³ on changes to the Confidence Code, including the removal of the requirement for price comparison websites to display the 'whole of the market' as a default view.
- The CMA will issue an order on microbusiness suppliers to introduce appropriate price quotation tools and expects implementation to be completed within 12 months of the final report (June 2017). The same deadline applies for the prohibition of restrictive clauses that lock in customers. We encourage suppliers to make fit-for-purpose price quotation tools available, and remove restrictive auto rollover clauses, in advance of the CMA's orders coming into effect and would also encourage price comparison websites to enable services for businesses at the same time.
- An industry working group has been established to respond to the CMA's requirements to grant intermediaries access to ECOES and SCOGES. Ofgem is an active member of that group and is supporting delivery that will operate in consumers' best interests as regards data protection, cost and timeliness of delivery. The CMA envisages access to be granted from the beginning of 2017.

¹ ["Statutory consultations on the removal of certain Retail Market Review Simpler Tariff Choices rules"](#)

² ["Helping consumers make informed choices – proposed changes to rules around tariff comparability and marketing"](#)

³ ["Confidence Code Review 2016 Consultation"](#)

Prompting greater consumer engagement

Our approach

CMA remedies in this cluster are targeting increased engagement amongst domestic and microbusiness consumers to increase competitive pressure on suppliers, specifically through:

- (a) Developing, testing and implementing more effective prompts for suppliers to engage their own customers or to prompt consumers to engage with other suppliers' deals;
- (b) Allowing suppliers to market innovative and personalised deals to rival suppliers' customers (using the customer database).

The first of these remedies will target both already-engaged consumers, to help them make better, more informed choices and those consumers that do not currently engage in the market, to provide them with additional support and encouragement to do so. It will focus on identifying measures (including those shortlisted by the CMA), and testing them rigorously (using randomised controlled trials where suitable). Where appropriate, these trials will lead to proposals to change licence conditions as we distil best practice.

The database remedy will focus specifically on engaging the most disengaged consumers. We will focus on getting the best outcomes for the consumer, while at all times protecting personal data and handling it securely. We will be working closely with suppliers and consumer groups, to design an effective information sharing service that drives greater competition in the market.

The development and testing of the database and the engagement prompts will be an iterative process and we will draw out and share the lessons learned as we progress. With the database remedy, we expect to make changes as it evolves from a small-scale trial to a larger, enduring and secure service which we will then roll out nationally. Considering the ultimate outcome, we may investigate other options, for example alternative interfaces with consumers (such as communications from trusted parties such as Citizens Advice) or electronic/telephonic communication. We intend to conduct testing to determine the messaging that is most effective with consumers, both for the opt out letter and the materials that consumers may receive as part of the service.

For prompts to engage, the programme of trialling will be ongoing and responsive to future developments in the market. At all times, we will be seeking to achieve the overarching aim of increasing consumer engagement and will therefore consider alternatives if our trials determine that the outcome could be achieved more effectively. This will sit alongside our continuing programme of consumer research.

In measuring the success of these remedies it will be important for us to define the specific outcome measures that we will be looking to monitor in relation to 'increasing engagement'. In developing our approach to the remedies we will be looking to engage consumer bodies, in particular to support the design of the new service and to help develop the information prompts we plan to test.

Our initial focus will be on the domestic retail market, with a design for microbusinesses following at a later stage.

Priorities

Our initial priority will be to take early action on the development and testing of the database which will benefit the most disengaged domestic consumers. There is an opportunity for suppliers to take steps prior to implementation of the orders and we stand ready to work with suppliers on innovative approaches.

The information prompts to engage remedy will be developed and implemented in parallel with the database remedy, working to a slightly longer timeframe. We intend to start with developing and testing prompts to engage in the domestic sector. An early priority will be to explore options around trialling a market-wide cheapest tariff message as this has the potential to have a significant positive impact on engagement and will be particularly important following the ability of suppliers to offer acquisition-only tariffs.

Our learning from domestic trials will be used to inform trials in the microbusiness sector. This is because we expect the price transparency remedy for microbusinesses to have a significant impact on the non-domestic sector and we wish to understand the impacts of this change before undertaking further reforms. We will consult on a licence requirement for suppliers to participate in trials on prompts for engagement. Before this is in place we urge suppliers to volunteer to participate in our programme of trials to realise benefits to consumers as quickly as possible.

Milestones

- We will work with experts in behavioural economics in summer 2016 to design a number of tests for the most effective messages for the initial contact letter.
- In 2016 we will conduct consumer testing to inform the design and development of the database service using our existing Consumer First Panel.
- In 2016 we will develop a user-centred design for the database remedy, based on evidenced user needs and with an iterative delivery process and measurable outcomes.
- In autumn 2016 we will consult on the licence requirement for suppliers to participate in trials and the criteria for selecting suppliers for trialling.

Protecting and empowering those on non-standard meters

Our approach

The remedies in this cluster address weak competition in the prepayment meter (PPM) segment. PPM customers, who are more likely to be vulnerable, face barriers to engagement including more limited tariff choices. The CMA is doing this specifically through:

- (a) Allowing the better use of the available tariff slots on traditional gas PPMs through the efficient allocation of tariff pages and a cap on the number of tariff pages a single supplier can hold;
- (b) Allowing suppliers to make better use of their existing tariff pages by allowing them to set prices to PPM customers on the basis of grouping regional cost variations;
- (c) Ensuring the implementation of changes to the Debt Assignment Protocol currently being developed by Ofgem and industry;
- (d) Implementation of a price cap on PPM (due to expire in 2020); and
- (e) Facilitating the access of consumers on restricted meters to a broader range of tariffs.

PPM customers are a focus area for Ofgem's work plan on customers in vulnerable circumstances. This work plan complements the CMA remedies in this market segment.

Our approach implementing these remedies is to continue to support the CMA with our expertise on the design of relevant licence conditions on the PPM price cap and access to a broader range of tariffs for customers on restricted meters. We have today published statutory consultations on removing some of the RMR 'simpler' rules. These cover the recommendation to amend licences to allow regional grouping for PPM tariffs (details under milestones section below). On the Debt Assignment Protocol reform and the gas tariff pages remedies our approach is to work with relevant industry parties to ensure that these remedies are delivered on time and where feasible facilitate industry action to fast-track these remedies. We will also be putting in place arrangements to monitor compliance with relevant remedies, in particular, the price cap from April 2017, as well as updating the level of the cap as required.

We also recognise the impact of the roll-out of smart meters on the PPM market. We will continue to monitor the roll-out of smart meters and if necessary, work with government to consider if, and when, further interventions are needed to encourage suppliers to install smart meters rather than traditional PPMs.

Priorities

We are keen to fast-track elements of the package of remedies where possible. On the PPM gas tariff pages remedy we note that one of the six large energy firms is holding a significant number of tariff pages. This has a limiting effect on the market availability of competitive tariffs. We support the CMA's proposal for the six largest energy firms to offer undertakings to release tariff pages. We welcome and support industry action to fast-track the redistribution of gas tariff pages. This would allow more suppliers to offer PPM tariffs and hence more choice for these consumers. We are keen that any industry action in this area is in line with the spirit of the proposed remedy by the CMA.

Milestones

- The statutory consultation published today on removing some of the RMR 'simpler' rules also covers the CMA's recommended amendment to licences to allow regional grouping for PPM tariffs. We are including these in the same document given the links between the Licence Conditions.
- We will assist the CMA as it implements the PPM price cap, and put in place the necessary preparations so that we are ready to take on our role of monitoring compliance with the cap from April 2017 and updating the level of the cap as required.
- We are currently overseeing industry-led implementation of further changes to the Debt Assignment Protocol. These changes are due to take effect before the end of 2016 in line with the CMA's recommended timetable. We encourage suppliers to finalise these changes as soon as possible.

Building industry systems and governance for the future

Our approach

There is a large suite of industry codes and central IT systems and processes that support processes such as settlement and switching. The arrangements for the governance and operation of these rules and systems have been in place since the introduction of competition in the 1990s. However, as recognised by the CMA, the advent of smart metering and growth of new suppliers has made the existing code governance framework out of date. New IT central systems and processes are needed to harness the full benefits of the roll-out of smart meters for competition.

We already have existing projects in place to meet the CMA's recommendations on half-hourly electricity settlement and the implementation of Project Nexus to improve gas settlement. We will review our plans for these projects to ensure they will deliver the CMA's recommendations. We will also step-up our engagement with industry on their ongoing work to introduce a gas performance assurance regime alongside the Project Nexus reforms.

These projects form part of our strategy and programme of work to transform the industry to realise the full benefits of the roll-out of smart meters⁴ and create a smarter market which delivers better outcomes for consumers, including through our programme to deliver more reliable and faster switching for consumers⁵.

The CMA remedies in this cluster are designed to support a coherent vision for strategic industry change led by Ofgem and clearer accountabilities for delivering it by the industry.

This package of remedies is complementary to, and a logical extension of, the incremental reform we have introduced to code governance arrangements so far. For instance, the CMA's recommendation for a consultative board builds on our work to improve coordination across codes.

The recommendation to license code bodies builds on these reforms and will enable a clearer set of accountabilities for delivering code change and better orchestration of change across multiple codes. We are working with BEIS (formerly DECC) to identify the most appropriate legislative provisions to enable reforms to the industry code arrangements to support future strategic change.

Priorities

We understand the call for clarity over our priorities for industry change and how industry players should deploy their limited resources. The reforms to code governance will ensure that future changes can be progressed in a more streamlined manner. They will make cross-code change more efficient, limit wasted effort and send clearer signals to industry on where to deploy their resources. We are working with BEIS and industry to develop a common understanding of the volume of system changes during the rest of this decade.

Designing and implementing a new framework for the governance of industry codes, and designing and delivering new processes and IT systems for a new smarter market with reformed settlement arrangements will be a significant undertaking for Ofgem and market participants. Given the key reforms are dependent on the successful roll-out of smart meters, holding suppliers to account for delivering the government's 2020 mandate will remain a key priority for Ofgem. We will also continue with our work to reform the switching arrangements as quickly as possible, including publishing a design baseline for the new processes early in 2017.

In addition to our work with BEIS to get the necessary powers in legislation, there are important questions of regulatory design for the licensing regime that we are considering. We intend to prioritise work on potential licensing models, together with our proposed approach to setting the strategic direction for codes and the role of the consultative board.

⁴ <https://www.ofgem.gov.uk/publications-and-updates/infographic-guide-what-does-smarter-energy-market-look>

⁵ <https://www.ofgem.gov.uk/electricity/retail-market/market-review-and-reform/smarter-markets-programme/switching-programme>

Alongside establishing a major new programme to introduce a new licensing framework for code administrators and central IT system providers, we will work as a priority to implement our decisions from the third Code Governance Review to ensure short-term improvements are realised.

Milestones

- We will publish a new plan and target implementation date for the delivery of Project Nexus during Q2 2016/17.
- We will consult on a plan setting out timescales and responsibilities relating to the introduction of half-hourly settlement, with a list of proposed necessary regulatory interventions and a timetable for their completion.
- Working with BEIS to introduce the new powers Ofgem requires to license code bodies and intervene in strategic code modifications.
- We will consult in autumn 2016 on potential licensing models.
- Following this, we plan to make the changes that do not depend on legislation being in place such as the strategic direction for codes and establishing the consultative board.

A robust and independent regulator

Approach

Ofgem reorganised its structure at the beginning of 2016 in order to carry out its functions in a more robust way. We established a new central analytical unit that is cross-organisational in its remit. Its core objective is to improve the effectiveness and efficiency of Ofgem's interventions, drive consistency, build capability across the organisation and provide a better understanding of our impact on energy consumers and businesses. We will review and, if appropriate, amend the scope of the team to align with the CMA's recommendation.

To help improve governance of the regulatory framework, the unit will facilitate our publication of opinions on draft legislation and policy proposals developed by government. We will publish opinions on the basis of our existing powers. If, as recommended by the CMA, government legislates to require us to publish opinions we will review our approach to make sure it complies with the legislative provisions. In addition, we will work with BEIS to publish joint statements regarding interventions where the policy objectives require parallel or consequential interventions.

We remain committed to improving transparency. We already publish regular analysis covering a wide range of different aspects of the energy market and will build on these reports to provide an assessment of the GB energy markets (the "SoM Report"). In addition, we will develop our monitoring activities and the financial reporting requirements placed on energy companies in line with the CMA's recommendations, and have today published a document⁶ seeking views on how we replace the Supply Market Indicator.

We expect the SoM Report to replace our current annual market reports and to form the main vehicle for reporting on the impact of the CMA remedies (along with the other actions we are taking to improve outcomes for consumers).

⁶ <https://www.ofgem.gov.uk/publications-and-updates/monitoring-trends-suppliers-expected-costs>

Priorities

For the SoM Report in 2017, we will focus on the high-level scope outlined in the CMA's final remedies. For 2018 and beyond, we will refine the format, scope of information and depth of analysis to ensure that it is targeted to the prevailing market developments.

With regards to publishing opinions, we will focus on matters that are likely to have a substantial impact on energy markets and that are relevant to Ofgem's statutory objectives and duties. We will determine the level of detail and timing of each opinion on a case by case basis but as a general rule we will do so in time to allow Parliament and/or government to consider our opinion before reaching a decision. We will work with BEIS to establish a process for publishing joint statements regarding interventions for which we have joint roles and responsibilities.

Milestones

- Within 2016, we will implement the CMA's recommendation to publish opinions on draft legislation and policy proposals developed by government.
- We have today published a consultation on how we should replace the Supply Market Indicator.
- In the coming months, we will work with BEIS to publish joint statements where appropriate.
- We expect to publish SoM Report in autumn 2017.
- Within 2016, we will consult on proposed changes to financial reporting requirements on energy companies.

Stakeholder engagement

Our first implementation workshop was held on 25 May 2016 and concerned the RMR and whole of market remedies. Following this event, we ran a survey of stakeholders, to seek views on the most effective approach to engagement. We are using this feedback to develop a more detailed plan which we intend to publish in the autumn. Further consideration will be given to running our next implementation workshop in the late autumn.

We are considering a mix of existing forums and new events, to target groups with specific interests. For instance, we will be using the Independent Suppliers' Forum to inform and engage non-incumbent suppliers and we intend to hold an event especially for consumer bodies and charities.

We are setting up a Consumer Progress Panel of consumer experts. Its role will be to provide consumer expertise into our approach and on decisions we make in implementing the remedies. Decision-making will, however, remain firmly with Ofgem. The Panel will bring in greater consumer expertise and, in addition, we may use the Panel as a sounding board in other programmes of work.

From feedback, one specific request was for regular updates. We are giving stakeholders the option to register for these updates and make comments on our implementation of the CMA's remedies via remedies@ofgem.gov.uk.

Appendix 1 – Remedies with actions for Ofgem

The remedies included below are those where Ofgem is leading on work, or has a significant contribution to make. We have also included those remedies that we have mentioned elsewhere in this document (defined terms are those used in the CMA's final report).

Regulation for Effective Competition

Remedy	Ref	Summary
RMR and replacement principle	20.26 (a) (i)	A recommendation to Ofgem to amend licence conditions to remove certain 'simpler' elements of RMR and introduce a standard of conduct on tariff comparability
Whole of Market	20.26 (a) (ii)	A recommendation to Ofgem to remove the Whole of the Market Requirement in the Confidence Code and introduce a requirement for PCWs accredited under the Confidence Code to be transparent over the market coverage
Locational Losses	20.22 (b)	A recommendation to Ofgem to support National Grid with the Locational Pricing Order
	20.22 (c)	A recommendation to Ofgem and to the industry to assess alternative solutions to the remedy specified in the Locational Pricing Order
Microbusiness price transparency	20.29 (a) (i)	Orders on gas and electricity suppliers to provide microbusiness price transparency
	20.29 (b)	A recommendation to Ofgem to make any necessary consequential amendments to suppliers' standard licence conditions
Auto-rollovers	20.29 (a) (iii)	Orders on gas and electricity suppliers prohibiting auto rollovers
	20.29 (b)	A recommendation to Ofgem to make any necessary consequential amendments to suppliers' standard licence conditions
ECOES/SCOGES	20.24 (e) (f)	An order the code administrator and gas transporters to give price comparison websites access to the ECOES/SCOGES databases

Promoting Greater Consumer Engagement

Remedy	Ref	Summary
Randomised Controlled Trials (domestic and microbusiness)	20.24 (a)	A recommendation to Ofgem to establish an ongoing programme to identify, test and implement measures to provide domestic customers with information to prompt them to engage in the retail energy markets
	20.24 (b)	A recommendation to Ofgem to modify gas and electricity suppliers' standard licence conditions to introduce an obligation on suppliers to participate in the Ofgem-led programme
	20.29 (c)	A recommendation to Ofgem to establish an ongoing programme to identify, test and implement measures to provide microbusiness customers with information to prompt them to engage in the SME retail energy markets
Database	20.24 (d)	A recommendation to Ofgem to create, operate and maintain a secure cloud database for the Domestic Customer Data and associated work
	20.29 (e)	A recommendation to Ofgem to create, operate and maintain a secure cloud database for the Microbusiness Customer Data and associated work

Protecting and empowering those on non-standard meters

Remedy	Ref	Summary
Gas tariff pages	20.25 (a) (iii)	A recommendation to Ofgem to take responsibility for the efficient allocation of gas tariff pages
	20.25 (b)	A recommendation on Ofgem to manage the reallocation of gas tariff pages in the absence of undertakings from the six largest energy firms
Regional variations for PPM	20.25 (a) (i)	A recommendation to Ofgem to modify suppliers' licence conditions to allow a supplier to set prices to customers on traditional prepayment meters without applying regional cost variations
	20.25 (a) (ii)	A recommendation to Ofgem to deprioritise potential enforcement action pending the licence modification
Debt Assignment Protocol	20.25 (a) (iv)	A recommendation to Ofgem to take appropriate steps to ensure that changes to the Debt Assignment Protocol are implemented by the end of 2016
Restricted meters	20.24 (h)	An order on gas and electricity suppliers with more than 50,000 domestic customers making all single rate electricity tariffs available to customers with restricted meters
PPM price cap	20.24 (k)	An order on gas and electricity suppliers requiring suppliers to ensure that the annual bills paid by prepayment customers do not exceed a specified cap, for a period until the end of 2020 with Ofgem to monitor compliance and update the cap as relevant

Building industry systems and governance for the future

Remedy	Ref	Summary
Half-hourly settlement	20.28 (a)	A recommendation to Ofgem to take forward work on half-hourly settlement and conduct a full cost benefit analysis on the mandatory move to half-hourly settlement
	20.28 (c)	A recommendation to DECC (now BEIS) and Ofgem that they publish and consult jointly on plans for half hourly settlement
Project Nexus	20.27 (a)	A recommendation to Ofgem to support the implementation of Project Nexus
Gas Performance Assurance Framework	20.27 (d)	A recommendation to Ofgem to take appropriate steps to ensure that a gas performance assurance framework is established within a year of the CMA's final report
Code governance	20.31 (a)	A recommendation to Ofgem to take a number of steps to improve code governance including publication of a strategic direction and related information supporting its implementation

A robust and independent regulator

Remedy	Ref	Summary
New central analytical unit	20.30 (c) (ii)	A recommendation to Ofgem to create a new unit (eg an office of the chief economist) within Ofgem
Opinions on draft legislation and policy	20.30 (a) (ii)	A recommendation to DECC (now BEIS) to initiate a legislative programme with a view to setting up a process for Ofgem to comment publicly, by publishing opinions on draft legislation and policy proposals developed by government
Joint DECC/Ofgem statements	20.30 (b)	A recommendation to DECC (now BEIS) and Ofgem to publish detailed joint statements concerning proposed BEIS policy objectives requiring parallel or consequential work by Ofgem
Financial reporting	20.30 (c) (iii)	A recommendation to Ofgem to require improved financial reporting by the six large energy firms
State of the Market	20.30 (c) (i)	A recommendation to Ofgem to publish an annual State of the Market report
Price monitoring	20.30 (c) (iv)	A recommendation to Ofgem to develop a wholesale price monitoring regime as part of ongoing work

Appendix 2 – Indicative timeline of milestones and associated activities 2016 - Q1 2017

