

Date: 30 January 2018

To all interested parties,

### **Update on Ofgem's Research Hub**

Thank you to all those that provided views on Ofgem's Research Hub.<sup>1</sup> It has been warmly received by the research community. It is seen as an opportunity to build stronger links with Ofgem, to collaborate on and support our research, and to help bring researchers from different disciplines together. In this update, we want to provide a summary of the main points raised and our proposed next steps.

#### *The four proposed priority research areas*

There is broad support for the four priority research areas<sup>2</sup> and we will continue to develop these. 'Cross-sector policy interactions' attracted the most comment, which perhaps reflects the increasing inter-dependence of different parts of the energy system and ongoing research in this area. 'Global trends' attracted least comment, though it was still seen as important to understand global developments and their implications for GB. To maximise the benefit of the research, we will prioritise projects that combine multiple elements of the four areas where possible.

#### *Ofgem's coordination role*

Ofgem's role as energy regulator places it in the centre of developments in the industry. Given this central role, several respondents suggested that we can help to co-ordinate researchers across different disciplines, and help shape the research projects that academics take forward. Comments included:

- *"UK energy research community is fragmented, ironically at a time of more integrated and co-ordinated energy system change. Ofgem could play an important role in helping to co-ordinate and interpret the research base, working with intermediaries such as ETP; CXC and UKERC."*
- *"The OFGEM research Hub could offer an important resource in management / co-ordination of national Research and Innovation policy"*
- *"Academic research in energy tends to be very specific. Hub seems a great idea that could encourage more collaboration across institutions"*

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<sup>1</sup> On 29 September 2017 we published an open letter inviting research institutions to engage with us on our proposed Research Hub. It asked for views on our four proposed priority areas of research; how Ofgem and research institutions could work together on relevant research projects; and how Ofgem could support research that the institutions carry out. We received 27 responses. The majority came from universities, but we also received several from Distribution Network Companies, consultancies, and industry bodies.  
[https://www.ofgem.gov.uk/system/files/docs/2017/09/research\\_hub\\_launch\\_-\\_call\\_for\\_engagement.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/09/research_hub_launch_-_call_for_engagement.pdf)

<sup>2</sup> 1. Cross-sector policy interactions; 2. Facilitating the low-carbon energy transition; 3. The future consumer; and 4. Global trends

### *Supporting academics and research*

The Hub will not have a pot of money that researchers can bid into to conduct specific research projects. We are more likely to provide in-kind support such as Ofgem staff time. We will also continue to support researchers in funding bids where the proposed research is in our interest. We understand it is important to demonstrate the actual or potential impact of academic research, and we will assist with this where we can.

### *Allowing academics to input to policy proposals*

Some respondents felt that Ofgem, academia and research funders could collaborate more closely on shaping research questions and projects than they do currently. For example, Ofgem could articulate the policy challenges, and academics could input on shaping the research questions and on methodological considerations. We think this has merit, and we are considering the most effective way(s) of taking this forward.

### *Access to data*

Some responses considered that Ofgem holds a large amount of data that would be useful to academic researchers. We already make data on the retail and wholesale markets, customer service and network performance available at our data portal on our website. This can be found at <https://www.ofgem.gov.uk/data-portal/overview>. Although much of the data we hold is commercially sensitive and obtained through formal information requests, we will aim to make more data available as appropriate, particularly in light of the Digital Economy Act.

### *Communication of research efforts*

To help with promoting our research agenda, and to increase transparency of our research activities and to build stronger links with research institutions, we will aim to host a regular research event. This could be an annual event, or something smaller and more frequent. Possible options for this could be: 1) Ofgem presents on draft research priorities for the year ahead, inviting comment from research institutions 2) Ofgem presents on research projects we have conducted/want to conduct and invite discussion 3) external researchers are invited to present on their work where it is relevant to our research priorities. We are keen to hear from researchers on format(s) and what they would find most useful.

We will also aim to regularly promote our research efforts, for example through a 3 or 6 monthly newsletter on our website. We expect this will set out, amongst other things, our research priorities; research work that is being done or recently completed; and seminars and events that we propose to hold in the coming 3-6 months.

Thank you once again to all those that responded to the open letter. We will provide further updates in due course. If you have any further comments please email these to [ResearchHub@ofgem.gov.uk](mailto:ResearchHub@ofgem.gov.uk)

Yours faithfully,

**Joe Perkins**  
**Chief Economist**