

## **Minutes of a Meeting of the Gas and Electricity Markets Authority**

**Wednesday 13 December 2017 at 2.00 pm**

**9 Millbank, London**

### **Apologies for absence**

1. None.

### **Minutes of the Authority meeting held in November 2017**

2. The minutes of the meeting held on 16 November 2017 were agreed.

### **Introductory remarks by the Chairman**

3. The Chairman thanked Jim Keohane and Rachel Fletcher for all their efforts as Board members, for their excellent contributions to Ofgem and wished them well for the future.
4. The Chairman reported on meetings since the last GEMA meeting, including meetings with senior industry representatives and the formal opening of the new Glasgow office by Paul Wheelhouse MSP.
5. The Chairman also noted that BEIS had published the advert for new Non-executives to the Ofgem Board.

### **Report by the Chief Executive Officer**

6. The Chief Executive reported on discussions and correspondence with civil servants and other senior stakeholders since the last meeting and the Smart futures events in Edinburgh and Birmingham which had been well received by stakeholders.
7. The Authority was given an update on progress with the Northern Ireland RHI inquiry.

### **Report by the Chief Operating Officer**

8. The Chief Operating Officer provided an overview of finances, the people survey, progress in IT, in Ofgem. Strategic Risks will be discussed in more detail at the meeting in February.

### **Future Facing reform work**

9. The Authority were given an overview about how the various future facing workstreams including the future energy systems strategy, and development of future retail markets fit together.

10. The Authority recognised the importance of this work and of developing it further into a series of narratives for the future, to capture the organisations vision for the future transformation of the sector; and requested further discussions to ensure that the holistic approach was maintained.

### **Update on our Retail strategy**

11. The Authority discussed the overall retail strategy and were updated on the developments since September. The team is working on three safeguard tariffs in parallel; one for vulnerable consumers for this winter, an extension to that price cap to a wider group of vulnerable consumers in time for winter 2018/19 and working with the Government to implement any Standard Variable Tariff price cap which is undergoing pre-legislative scrutiny. There was broad agreement that the timing of the potential SVT cap may negate the need to continue with the extended cap for vulnerable consumers but that we should continue with this work for now to ensure that consumers get the appropriate protections they need.
12. The new SVT league table which Ofgem will publish along with an explanatory narrative in December was discussed. The Authority was very supportive of this approach to increase transparency in the supply market.
13. There was a discussion on Midata. The Authority was supportive of the initiative and for Ofgem to explore how it could support the Government in introducing these reforms in a timely manner.

### **CMA Database**

14. The Authority considered a paper which outlined the early results from the engagement trials and presented the costs and benefits of continuing with investment in both the database and the range of services that it could facilitate which could encourage more consumer engagement in the energy market.
15. Further work will be undertaken by Ofgem on engaging with third parties to develop the range of services and this issue should return to the Authority in the spring.
16. Several members of the Authority felt that the database had value. Following discussion, and although not unanimous, the Authority:
  - agreed in principle to proceed with the database project but asked to be kept closely informed of progress and have regular review points; and
  - agreed an ordinary resolution to delegate the final decision to proceed to the Chief Executive Officer subject to funding being in place.

## **RIIO 1: Strategic programme**

17. The Authority considered a paper setting out an overview of company performance and a strategic look at the upcoming decisions.
18. The Authority discussed the company performance and reiterated the intention to ensure that lessons from RIIO 1 should feed into RIIO2 in order to ensure that the allowances are reasonable.
19. There was a discussion on the upcoming decisions and the significance of these given the value of them to the consumer. It was also felt that independent auditing could be used to ensure the value of the NOMs work is delivered.
20. The Authority endorsed the work of the team in taking forward these decisions.

## **UK regulators network update**

21. The Authority noted the paper.

## **Decision Log update**

22. The Authority noted the paper.

## **23. Switching Programme update**

24. The Authority noted the paper.

## **Non-Fossil Purchasing Agency Levy**

25. The Authority noted the paper.

## **Date of next meeting**

26. The next meeting of the Authority would be on **Thursday 15 February 2018** at 9 Millbank. It would be preceded by an informal briefing session on 14 February

## **Those present**

David Gray  
Dermot Nolan  
Rachel Fletcher  
Paul Grout  
Christine Farnish  
Jim Keohane  
Keith Lough  
Andrew Wright

**Those attending**

Jonathan Brearley  
 Sarah Cox  
 Martin Crouch  
 Chris Poulton  
 Rob Salter-Church

**Others present**

David Ashbourne (Legal Adviser to the Authority)  
 Wendy Watson (Secretary to the Authority)  
 Leanne Pallott (Executive Adviser to Chief Executive)

***For specific agenda items***

<b><i>Name</i></b>	<b><i>Subject</i></b>	<b><i>Paragraphs</i></b>
Mark Mills Peter Bingam	CEO update	6-7
Frances Warburton Neil Barnes Tim Webbe	Future Facing work " " " "	9-10
Anna Rossington Jonathan Spence Neil Barnes Paul Fisher David O'Neil Joe Perkins Mark Wiltsher James Kilmartin Tim Webbe	Future Retail work and CMA Database " " " " " " " " " " " " " " " "	11-16
Kersti Berge Steven McMahon Min Zhu Clothilde Cantegreil Geoff Randall	RIIO 1 " " " " " " " "	17-20