

Ofgem Qualifying Regulatory Provision Summary

Qualifying Regulatory Provisions that came into force during the Business Impact Target reporting period of this Parliament (i.e. 21 June 2018–20 June 2019)			
Title of measure	Description of measure	BIT score validated by RPC (£ millions)	RPC reference number
Domestic gas and Electricity Default Tariff Cap	The Domestic Gas and Electricity (Tariff Cap) Act 2018 came into effect on 19 July 2018. It created a new duty for Ofgem to design and implement a temporary cap on domestic standard variable and default gas and electricity tariffs. Ofgem introduced the cap on 1 January 2019, which was set at around £1,137 per year for a typical single rate dual fuel customers paying by direct debt. Around 10.7 million households were expected to benefit from it. Under Section 7 of the Act, Ofgem is required to published a review of whether conditions are in place for effective competition by 31 August 2020 and include a recommendation on whether the cap should remain in place for 2021 or be removed. The Secretary of State for Business, Energy and Industrial Strategy will consider this review and make a decision by 31 October 2020. If the cap is extended into 2021, the same process will be repeated until 2023, when the cap ceases to have effect.	2,405.8	RPC-4358(1)-BEIS-Ofgem