

Minutes of a Meeting of the Gas and Electricity Markets Authority

From: Stella Denny
Secretary to the Authority

Date: Wednesday 26
June 2019
Time: 9am

Location: Glasgow

Apologies for absence

1. None.

Introductory remarks by the Chairman

2. The Chairman welcomed all members and attendees to the meeting and noted there were no conflicts of interest to be reported.
3. The Chairman informed the Board of a recent visit to Surrey and Hampshire relating to Microbusinesses.
4. The Chairman provided the Board with an update on the CEO recruitment process and noted that BEIS are at the shortlisting stage for new Non-Executive Directors to join the Authority.
5. The Chairman noted that David Gray – former Ofgem Chairman, has been awarded a CBE for services to Regulation, in the June 2019 Queen's Birthday Honours.
6. The Chairman advised the Board of the 'For Information' papers submitted for the Authority's attention.

Minutes of the Authority meetings held on 29 May 2019

7. The minutes of the meeting held on 29 May 2019 were agreed, subject to some small amendments.

Matters Arising

8. The Chairman informed the Board that the Strategy and Resources Task Force had met twice since the May 2019 Authority meeting. The Task Force had considered a summary of organisational expenditure and financial and legal risk.

Report by the Chief Executive Officer

9. The Chief Executive Officer (CEO) updated the Authority on recent internal and external engagements, including those related to the forthcoming Energy White Paper from BEIS.
10. The CEO noted Ofgem's reverse mentoring programme has commenced, advising that he is participating as a mentor.
11. The Authority was informed that Ofgem's Consumer Vulnerability Strategy was published on 13 June 2019.
12. The Authority received an update on other topics, including:
 - BEIS Consumer Forum
 - Pre-payment meters price cap methodology
 - RII0-2 Business Plans

- Recent Enforcement activity
- Nuclear RAB
- Western Isles link
- Smart Export Guarantee
- Renewable Heat Incentive regulations, and
- The Northern Ireland Renewable Heat Incentive Scheme Inquiry

Report by the Chief Operating Officer

- 13.** The Chief Operating Officer (COO) informed the Authority that the Annual Report and Accounts have been finalised, pending some final checks to the supporting text. The final financial position showed a small underspend for 2018/19.
- 14.** The Authority was advised that the Spending Review process is continuing and that a technical note was submitted to the Treasury (HMT) three weeks ago. A further update will be provided to the Board in July 2019.
- 15.** The COO provided the Authority with an update on major work programmes, noting that most projects have remained stable, while some have improved their position and progressed.
- 16.** The COO updated the Authority on IT issues affecting the performance of the Ofgem network. Investigations are underway, with some causes having already been identified.
- 17.** The Board noted the restructuring of teams across the Delivery Directorate is progressing. Recruitment has started for existing vacancies and open evenings are to be held in London and Glasgow to support recruitment for the Legal Team.

BEIS White Paper and Ofgem's Legislative Priorities

- 18** The Authority received a verbal update from Jonathan Brearley (JB) and Rob Salter-Church (RSC) on the current status of the BEIS Energy White Paper (EWP), and the linkages to the Ofgem medium-term strategy (see paragraph 25).
- 19.** The Board discussed some of the possible themes for the Energy White paper and the anticipated timing for publication.

Future Retail Market Design

- 20.** Mary Starks (MS) and Neil Barnes (NB) provided the Authority with a summary of the BEIS-Ofgem Future Energy Retail Markets Review (the Review). The Review has identified reform options to ensure that the retail market works well for all consumers and helps to deliver the benefits of the energy transition.
- 21.** The Authority discussed the proposals, noting that the review includes consideration of the the post Retail Price Cap environment.
- 22.** The Authority acknowledged the importance of engaging stakeholders with the reform options and suggested any future consultation with stakeholders should be aligned with (i) other Ofgem reviews (e.g. Microbusinesses and Code Governance reviews) and (ii) Government's view of the future retail energy market in the Energy White Paper (EWP).
- 23.** Recognising the current level of political uncertainty, the Authority agreed that Ofgem should continue to work on options for retail reform, both in the presence and absence of legislation,

reflecting our regulatory independence and primary focus on protecting current and future consumers.

24 The Authority noted that further discussion will take place at some point in the future.

Ofgem Medium Term Strategy

25. The Authority considered a paper summarising staff feedback on Ofgem's medium term strategy consultation.

26. The Authority discussed the document and agreed changes to the text, together with deadlines for publication, once the new draft has been circulated for review. The document will be published in mid July 2019.

Annual Report and Accounts

27 The Authority noted the final version of the document, having already provided comments via written procedure.

28 The Authority was reminded that the Consumer Impact Report would be published in conjunction with the Report and Accounts.

Information paper – Customer Service Dashboard

29. The Authority noted the paper.

Information paper – ARAC Update

30. The Authority noted the paper

Information paper – Price Cap Monitoring Dashboard

31. The Authority noted the paper.

Date of next meeting

32 The next meeting of the Authority would be on Wednesday 31 July 2019 in Durham.

Those present

Martin Cave
Dermot Nolan
Paul Grout
Sarah Cox
Mary Starks
Jonathan Brearley
Christine Farnish
Keith Lough
Ann Robinson
Lynne Embleton
John Crackett

Those attending

Euan McVicar

Joe Perkins

Others present

James Luger (Head of Governance and Secretariat)

Stella Denny (Secretary to the Authority)

Alex Flucker (Private Secretary)

Mark Wiltsher (Director of Communications)

Georgina Hunt (Governance and Secretariat Support)

For specific agenda items

<i>Name</i>	<i>Subject</i>	<i>Paragraphs</i>
Rob Salter-Church	BEIS White Paper and Ofgem's Legislative Priorities	
Neil Barnes	Future Retail Market Design	
Philippa Pickford	Future Retail Market Design	
Rob Salter-Church	Strategic Narrative	
Marcia Poletti	Strategic Narrative	
Ashley Malster	Strategic Narrative	