



Making a positive difference  
for energy consumers

To generators, shippers,  
suppliers, network companies,  
consumers and their  
representatives, the  
sustainable  
development community,  
investors and other interested  
parties

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Dear Stakeholders

### **Ofgem Simplification Plan 2013-14**

Better regulation is at the heart of Ofgem's work. We actively consider whether the regulatory requirements we propose will help achieve our objectives in a way that is consistent with our commitments to reduce and simplify regulatory burdens.

We are legally required to keep our activities under review and to publish an annual statement on the progress we have made to reduce burdens that we consider have become unnecessary. That statement is our Simplification Plan.

Our current Simplification Plan demonstrates our commitment to delivering better regulation across our activities. Key initiatives include the RIIO price control framework, the Retail Market Review, promoting greater liquidity in the electricity market, and developing the offshore transmission regime. All include approaches which ease burdens, promote transparency and ensure that our regulation is proportionate.

Many of the initiatives in our current Plan are already producing results. Our RIIO framework has been introduced for the high voltage electricity grid and high and low pressure gas networks. RIIO supports better regulation by putting the onus on network companies to be the driver of their review outcome through development of a well-justified business plan. RIIO also includes a fast-tracking mechanism, enabling companies that perform well to settle their price controls early. We have published detailed proposals to give consumers a clearer choice in a simpler energy market, through our Retail Market Review. Our forward look consultation schedule was launched earlier this year to very positive stakeholder feedback, and we have consulted on overhauling our approach to carrying out the impact assessments which inform our decisions. We will include a full progress report on our current initiatives in the Simplification Plan 2013-14.

**To build on these successes we are now seeking your ideas for actions to include in the Simplification Plan 2013-14. This consultation is open until 27 August.**

We want to gather views on how we might improve. Anything included in the Plan should further the principles of better regulation, so we are looking for actions that could help us to be more proportionate, accountable, consistent, transparent or targeted in how we engage. Anything in the Plan must be deliverable by Ofgem, as we cannot make commitments for others.

To help start the conversation we are especially looking for ideas around three main themes:

- **Improvements to forward planning.** Our consultation forward look has proved very popular with stakeholders and there may be more we can do to develop our forward planning, to make it easier for interested parties to engage with us.
- **Accessible regulatory processes.** A number of items in the current Plan focus on process improvements. We want to do more on this, to ensure our processes deliver in the most effective way.
- **Transparency.** The current Plan contains a number of measures to improve transparency. We are interested to learn from stakeholders what more might be possible in this space.

The aim of these themes is to build on the current Plan and extend successful approaches to other areas of our work. We would particularly welcome any insight into what has worked well in other organisations, sectors or countries, which Ofgem might learn lessons from or adopt.

We will actively engage with stakeholders during the consultation. We welcome suggestions for events or forums we could engage with, to collect a wide range of views.

All responses should be sent to Mark Wagstaff, Ofgem, 9 Millbank, London SW1P 3GE or by email to [mark.wagstaff@ofgem.gov.uk](mailto:mark.wagstaff@ofgem.gov.uk) . Any responses which the respondent does not wish to be published should be marked as confidential.

Yours sincerely,

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