

## **Ofgem to review energy networks regulation regime**

UK energy regulator Ofgem has unveiled plans to review the 20-year old regime governing the regulation of the gas and electricity networks. The two-year review will examine whether the current approach will continue to deliver customers reliable, well-run networks with good service at reasonable prices amid growing investment challenges faced by the energy networks in the future. Ofgem says it is eager to emphasise that the review should not be taken as critical of the role the existing rules have played to date. “The current RPI-X regime has delivered much greater efficiency from the network operators with better quality of service, improved reliability and lower costs to consumers,” says Ofgem chief executive Alistair Buchanan. “But we need to know that the regime can continue to promote innovation from the companies at the level that is required for the future,” he says. “The challenges for the future include ambitious new government renewables targets for 2020, proposals for greater power network interconnection in Europe, a greater emphasis on small-scale distributed generation and growth in gas imports,” Buchanan says. “Added to this is Ofgem’s commitment to curbing the regulatory burden under Better Regulation principles. These mounting influences may take the existing price control format into territory for which it was not designed. Alternatively, the proven flexibility of the current regime may be fully adequate,” he adds.

[Source: esaa]