

ELECTRICITY MARKET REFORM: STEERING BOARD ON SMOOTHING THE TRANSITION TO THE CfD – TERMS OF REFERENCE

Objectives:

- To ensure that the work programmes to prepare for the introduction of the CfD are appropriate considering the timetable for the introduction of the CfD, and that appropriate resources from stakeholders are made available.
- To provide guidance on how DECC might best coordinate and deliver progress, commenting on what practical actions the market can take to prepare for the introduction of the CfD, and to stimulate market function in the PPA market under CfDs.
- To assist DECC in the development of a coherent package that will support independent renewable generators ability to continue to play a part in the UK's decarbonisation objectives.
 - Oversight of the development of voluntary market approaches to facilitate a smooth transition to the CfD and a reduction in costs and complexity for the first mover projects.
 - Peer review of the evidence base on the levels of competition in the market; the significance of imbalance risk and approaches to mitigation of imbalance risk.
 - Expert input to the consideration of options to address the issues reported in the PPA market.

Meetings:

We envisage that the Steering Board will meet approximately every 2 months during 2013. An indicative timetable for meetings is given below. All meeting will be held at DECC's offices in central London, and are expected to last around between 90-120 minutes.

Indicative timetable for meetings

- **April** – initial meeting to agree Terms of Reference, Objectives and Draft Workplans for the development of voluntary approaches
- **May** – Meeting to discuss resource requirements for working groups
- **August** – Meeting to discuss interim progress reports and draft Heads of Terms for sample contracts
- **November** – meeting to discuss proposed voluntary code of practice.
- **December** – meeting to discuss final draft sample contracts and to review the code of practice

Papers:

DECC will aim to circulate relevant material in advance of each meeting to allow for preparation where appropriate.

Board members will be required to handle any papers with discretion and are requested to not share papers widely with colleagues or outside their organisation.

Minutes:

Minutes of the meetings will be circulated to all Board members. Members are welcome to distribute minutes of the meetings to any interested parties.

Membership:

Members of the Board have been selected on the basis of their knowledge and experience. Substitutes will not therefore generally be accepted without agreement from DECC.

Members of the Board are expected to act impartially and they, their organisations or any of their substitutes will not be bound by any recommendations or decisions made by the group.

Ofgem officials that are members of this group do not represent the views of the Gas and Electricity Markets Authority. Their attendance should therefore not be considered an implicit or explicit endorsement or agreement to the outcomes and will not fetter the Authority discretion in the future. Similarly representatives from National Grid that are members of this group do not represent the views of National Grid PLC or any of its subsidiaries and will not be bound by any recommendations made by the group.

DECC reserves the right to review membership in future to ensure the group remains effective. DECC will assess the composition and the need for the Group at the end of the next stage of the programme to ensure it remains fit for purpose for future stages.

Membership of Steering Board:

Name	Organisation
Jonathan Brearley (chair)	DECC
Chris Hemsley/Phil Hicken	DECC
Andrew Buglass	RBS
Dr Gordon Edge	RenewableUK
Rachael Fletcher (tbc)	Ofgem
Richard Hall	Consumer Focus
David Handley	RES
Stuart Hayward-Higham	SITA
Angela Knight	Energy UK
Paul McCartie	Lightsource
John Perkins	National Grid
Jonathan Smith	First Utility