

Energy market investigation

Notice of intention to conduct case studies on industry codes' modification processes and to appoint an external consultant

1. On 18 February 2014 the CMA published an updated issues statement which set out a number of hypotheses relevant to our investigation into the energy market in Great Britain. It contains a theory of harm which states that the broader regulatory framework, including the current system of code governance, acts as a barrier to pro-competitive innovation and change.
2. In order to better understand the impact of the current system of code governance on competition, and in particular the impact of the codes' modification processes, the CMA intends to conduct case studies of previous (or currently progressing) modification proposals. These should draw out both the strengths and weaknesses of the change modification processes across the different industry codes.
3. The CMA intends to appoint Cornwall Energy Associates Ltd, of 2 Millennium Plain, Bethel Street, Norwich, NR2 1TF (www.cornwallenergy.com) (Cornwall Energy), to support the CMA in identifying relevant case studies and to prepare a factual (and chronological) account of the modification process, providing an overview of each step.
4. None of the persons who will be actively involved in the provision of these services to the CMA currently hold positions as industry code Panel members or working group members. If employees of Cornwall Energy who hold such positions are consulted, it will be in a formal approach to represent their positions as Panel members or working group members. Nigel Cornwall, Cornwall Energy's Managing Director, is currently a Non-Executive Director on Elexon's board.
5. We welcome comments on the above by 5pm on 10 April 2015. To submit comments, please email Will Fletcher, Project Officer, at EnergyMarket@cma.gsi.gov.uk or write to him at Energy Market Investigation, Competition and Markets Authority, Victoria House, Southampton Row, London, WC1B 4AD.

8 April 2015