| Regulatory Policy Committee | OPINION | |
|-----------------------------------|---|-----------------|
| Impact Assessment (IA) | Consumer Tariff Amendments (powers a- e) – Ofgem RMR | |
| Lead Department/Agency | Department of Energy and Climate Change | |
| Stage | Final | |
| Origin | Domestic | |
| IA number | None provided | |
| Date submitted to RPC | 21/01/2013 | |
| RPC Opinion date and reference | 05/03/2013 | RPC13-DECC-1698 |
| One-in, One-out (OIOO) Assessment | | GREEN |

Overall comments on the robustness of the OIOO assessment.

While the best estimate is that the proposals will have no costs or benefits to business the IA identifies a risk that the government taking powers in an area that has traditionally been the responsibility of an independent regulator could result in increased uncertainty. This impact has not been monetised as it is difficult to quantify and is not expected to occur. The policy is therefore scored as an IN with a non-monetised Equivalent Annual Net Cost to Business (EANCB).

Overall quality of the analysis and evidence presented in the IA

The IA assesses the policy as having no costs or benefits, other than the risk of increased uncertainty, as it is an enabling power, and states that "Direct costs of specific interventions will be considered at the secondary legislation stage should that be necessary". However, in order to justify granting additional powers, the IA needs to provide more analysis of how these powers will be used and what the impacts are expected to be. This would give decision makers a clearer picture of why the powers are being granted.

Signed

Sarah Veale, Committee member

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