

Industry update from Ofgem – up to date as of 03 January 2017

RIIO matters

Cost of Debt Indexation Model 31 October 2016. On 30 November 2016 we updated the Corporate Debt Expenditure (CDE) variable value as used in the RIIO price controls. More information may be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/cost-debt-indexation-model-31-october-2016>

RIIO-GT1 Financial Model following the Annual Iteration Process 2016. On 30 November 2016 we published the GT1 Price Control Financial Model (PCFM) for the Annual Iteration Process (AIP). The model calculates the modification of base revenue (MOD) term for 2017/18. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/riio-gt1-financial-model-following-annual-iteration-process-2016>

RIIO-GT1 Directions for the Annual Iteration Process November 2016. On 30 November 2016 we issued directions to NGG plc for the AIP. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-s-future-insights-series-decarbonisation-heat>

Network Innovation

Six new innovation projects get funding to pave the way for smarter energy grids. On 30 November 2016 we published details of six new projects which will be funded through the Network Innovation Competition (NIC) - four for electricity and two for gas. More information can be found at the following URLs:

Press release: <https://www.ofgem.gov.uk/publications-and-updates/six-new-innovation-projects-get-funding-pave-way-smarter-energy-grids>

Brochure: <https://www.ofgem.gov.uk/publications-and-updates/2016-network-innovation-competitions-brochure>

Funding decision: <https://www.ofgem.gov.uk/publications-and-updates/gas-network-innovation-competition-2016-funding-decision>

The network innovation review: our consultation proposals. On 1 December 2016 we published a consultation seeking stakeholders views on proposed changes to the Network Innovation Allowance and the Networks Innovation Competitions. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/network-innovation-review-our-consultation-proposals>

The network innovation review: proposed legal drafting. On 21 December 2016 we published a consultation seeking stakeholders' views on proposed legal text that would give effect to the policy proposals currently being consulted on. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/network-innovation-review-proposed-legal-drafting>

Other matters

Ofgem: Innovation and regulation. On 7 December 2016 we published a report detailing our approach to innovation and how it shapes the way we regulate. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-innovation-and-regulation>

Ofgem launches Innovation Link. On 8 December 2016 we launched a dedicated service to support businesses looking to offer innovative products and services to the energy sector. Of interest may be a proposal for a 'regulatory sandbox' to enable innovators to trial new products or services without incurring all of the normal regulation. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-launches-innovation-link-0>

Changes to the Gas Transporters licences. On 16 December 2016 we announced our decision to make a number of changes to the Gas Transporters' licences in order to implement the outcome of Ofgem's review of Xoserve's finance, governance and ownership (FGO) arrangements. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-new-standard-special-condition-a15a-central-data-service-provider-modification-ssc-a15-agency-and-other-consequential-modifications-gas-transporter-licence>

Ofgem's regulatory stances. On 19 December 2016 we published guidance on our five regulatory stances which we refer to when delivering strategic outcomes for consumers. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgems-regulatory-stances>