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Ofgem Simplification Plan 2015-16 – Response from the Energy Intensive Users Group

The Energy Intensive Users Group (EIUG) represents the UK's industrial energy users in manufacturing sectors such as steel, chemicals, paper, mineral products, glass, ceramics and industrial gases. Some companies in these sectors are also auto-generators or (less commonly) gas shippers – but all are significant net consumers of energy.

EIUG appreciates that Ofgem has a wide range of responsibilities, some relating to highly technical areas of regulation, and that it may not be practical in every instance to summarise proposals or consultations in layman's language, or to identify issues in advance that are likely to be of greatest interest to specific classes of consumer. Nevertheless, we believe there is scope for improving the efficiency of Ofgem's communications with consumers generally, and large industrial energy users in particular.

As Ofgem will appreciate, industrial users and their representatives often struggle to provide the resources to monitor regulatory developments, engage in the increasing number of consultations, etc., to the same extent as companies within the energy industry for which this is naturally core business. It is therefore very much appreciated when Ofgem is able to highlight certain key decisions, proposals or consultation documents that are likely to be of greatest interest to EIUG members. Some areas of interest might be obvious (assessments on security of supply, major price control decisions, initiatives directly related to industrial demand response, etc.) and others less so, but through regular contact with industrial users it should be possible to develop a greater feel for the relative priority such users place on the various areas of work within Ofgem's responsibility. Ofgem's Large User Group meetings provide an obvious opportunity to hear emerging thinking from industrial and other large energy users on key issues, options, costs and security of supply.

EIUG would also appreciate anything Ofgem can do to provide short, high level, plain English summaries of consultations which would considerably aid industrial energy users in identifying those that should attract their greatest attention. Indications of likely implications for industrial users in terms of cost or security of supply would be particularly welcome.

We strongly suspect that improving the efficiency of communication in these ways would encourage a greater level of response to consultations from energy users, widen stakeholder engagement generally, and improve the quality and quantity of feedback that Ofgem receives to what inevitably tend to be energy industry dominated exercises.

We trust Ofgem will take these suggestions into consideration in implementing the Forward Work Programme for 2015-16.