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**Rebecca Pow MP**  
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Dr Alan Whitehead  
House of Commons  
London  
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11<sup>th</sup> November 2020

Dear Dr Alan Whitehead,

**Environment Bill – Ofgem duties, decarbonisation and strategy & policy statement  
(Amendment 105)**

I am writing following Environment Bill Committee on 5<sup>th</sup> November where Leo Docherty agreed to provide further information on the amendment you tabled to the Environment Bill on a Strategy and Policy Statement for Ofgem.

Our understanding of your proposed amendment 105 is to make it a requirement that a Strategy and Policy Statement (SPS) be designated for Ofgem. The intention also seems to be that the SPS would place a duty on Ofgem to assist in the meeting of greenhouse gas targets under the Climate Change Act.

The purpose of an SPS is to provide context and guidance about the priorities and desired outcomes of Government to the regulator. Our commitment to reaching net zero by 2050 is a clear priority of this Government. A SPS would require Ofgem to set out how it is implementing Government's priorities, as set out in the SPS. As such, we do not believe a Strategy and Policy Statement is required at this time.

In the response we sought to make it clear that Ofgem's duties as set out in existing legislation are sufficient to enable it to assist in meeting greenhouse gas targets. For example, its duty in the Gas Act 1986 and Electricity Act 1989 to protect consumers' interest in greenhouse gas reduction, which is the foundation of the actions set out in the Ofgem decarbonisation action plan.

However, as explained during Committee, the time to designate a SPS would be in light of the priorities and policies to be set out in the forthcoming Energy White Paper. The Energy Act 2013 requires consultation on a draft SPS, including with the Scottish and Welsh Governments, so there would be opportunities to discuss the content before a SPS is designated.

Yours sincerely,

**REBECCA POW MP**

