



IGov Primer

Fit for Purpose GB Energy Governance Framework

Context

IGov has argued that governance (policies, institutions, rules and incentives of markets and networks, regulations such as codes, retail policy, and the underlying politics and decision-making of deciding on the details of those rules and incentives etc) should play a central role in transforming the current centralised, carbonised energy system into a decarbonised, flexible, equitable and secure energy system able to meet our greenhouse gas reductions. IGov has shown how the current governance framework within GB is not-fit-for-purpose for enabling this to happen; has argued why this is the case; and has put forward our own ideas for creating a governance framework that is fit for purpose. This primer summarises this area of our research.

IGov kicked off in 2014 [with a paper](#) about the challenges that faced the GB energy system, and the type of governance framework which was needed to deliver solutions for those challenges. At the end of the first phase of IGov in 2016, we published a [fit-for-purpose governance framework](#) which summarised the challenges of transforming the energy system. It explained the importance of governance; discussed the institutional landscape; and made proposals for its reform.

This framework was broken down into a simpler story in a [2017 presentation](#) and then [further developed](#) as part of our discussions on a post supplier hub world. A direction-setting workshop in July 2018 saw the framework further refined within the context of system change and policy and regulation lag. The final iteration of the IGov fit for purpose governance framework was produced in September 2019 [Getting energy governance right: Lessons from IGov](#). This sets out the importance of governance; key principles it should follow; and provides the final IGov fit for purpose governance framework. There are a range of other primers which broadly link back to and further explain the need for a fit for purpose governance framework, including: Energy Codes; [the Capacity Market](#); [Local energy and the changing role of people](#); [RIIO](#), [DSPs and valuing DER](#), and [NY REV](#)

2019

- Nov (presentation) [Proposal for an Energy Transformation Commission](#) – given to the roundtable on Reforming energy governance for net zero
- Nov (presentation) [What reform is required of the current energy system/governance?](#) A high level overview of key changes IGov think are needed
- Nov (event) [Reforming Energy Governance for net zero](#) summary of resources from a roundtable exploring reforming energy governance to support the shift to a Net Zero economy
- Oct (submission) [National Infrastructure Commission: 'The Future of Regulation Study' Call for Evidence](#) Our views on this national consultation setting out our view on energy regulation and governance
- Oct (submission) [Environmental Audit Committee Inquiry into Net Zero Government](#) supplementary information to this inquiry, setting out the IGov views on the government framework for net-zero and the importance of governance

- Sept (paper) [Getting energy governance right: Lessons from IGov](#) – the final design version of our research and thinking on reforming energy governance in the UK. It considers the importance of governance; key principles it should follow; and it put forwards a new governance framework.
- Sept (presentation) [Whole Energy System Coordination for a Net Zero Future](#), given at Potsdam this presentation discusses the importance of governance and IGov’s framework
- Aug (briefing) [Getting energy governance right: Lessons from IGov](#) This briefing looks at the crucial role of governance in achieving that transformation. It summarises the findings of seven years of work by the IGov team
- Jul (blog) [Governance for local energy transformations](#) looks at the importance of local energy governance and puts forward the idea of Local Transformation Plans
- Jul (blog) [Market Design Issues for a smart, flexible, sustainable and secure energy system](#) summarises a series of blogs looking at how electricity markets need to change to support a low carbon future
- May (blog) [We have a plan – good governance to achieve a net-zero target](#) responding to the CCC recommendation on strengthening the UK’s climate change targets
- Apr (briefing) [Enabling the transformation of the energy system: Recommendations from IGov](#) This briefing and a final designed [paper](#) set out the clear need for a direction-setting process, which provides co-ordination in a crowded institutional field. It makes the case for a new institution – and Energy Transformation Commission

2018

- Mar (conference) [Event Report: Innovation & Governance for Future Energy Systems](#) This IGov conference looked at a wide range of aspects for system change, including sessions on governance, its reform and wider system change. The above link to the event summary captures much of the discussion – you can access wider resources from the event [here](#).
- Jul (roundtable) [Direction setting for energy system transformation](#) this event consider how efforts to decarbonise along with technology change and falling costs are driving energy system change. It suggested how far this transformation can be realised and managed depends on the response of policy makers and regulators.
- Jul (presentation) [Direction-setting for energy system transformation](#) working from the IGov framework this presentation from the above event asked why direction-setting matters and what some for the issues to consider are. Its sets out how the IGov framework can support transparent and legitimate decision making, as well as our proposals for how to achieve it.

2017

- Jan (submission) [BEIS/Ofgem - Smart, Flexible Energy System - A call for evidence](#) sets out the IGov view on smart and flexible and in particular highlights the need for creating a system for the Consumer and the importance of institutional change
- Mar (blog) [Aligning Content with Intent: BEIS and the Regulator have to sort out their relationship and roles](#) Reflection on how UK often seems to be trapped in a one step forward, two step back mentality and the need for an effective governance relationship between Government and the Regulator to give direction and a boundary to our policy decisions.
- Mar (submission) [Ofgem Call for Evidence on Future arrangements for the electricity system operator: its role and structure](#) Setting out IGov view on their consultation and arguing for the SO to become an Integrated and Independent System Operator (IISO).
- Apr (blog) [Institutional governance reform – the essential ingredient for a sustainable, secure and affordable energy system](#) sets out how the GB current energy governance framework is not fit-for-purpose for transforming the current centralised, carbonised energy system into a decarbonised, flexible and secure energy system and IGov’s ideas for changing that.

- Jun (blog) [Ofgem has to be reformed if GB is to meet its energy policy goals](#) highlighting that as part of governance reform the regulators position, function and role is not fit for purpose and it should be stripped back to being just an economic regulator.
- Sept (presentation) [The ideas behind the IGov 'straw' Fit-for-Purpose GB Energy Governance Framework](#) given to the CCC, this presentation provides a high level overview of the framework and the thinking behind it.
- Sept (blog) [What's going on?](#) An attempt to review of what is happening within the GB regulatory space at this time – showing the amount and complexity of change.
- Oct (presentation) [Innovation and governance for future energy systems - what role will distribution companies](#) sets out the context and need for governance change and the IGov framework, before focussing in on the role of distribution in system change.
- Nov (blog) [The Role of the CCC in a reformed GB Institutional Framework](#) looking at the CCC's role with a new institutional framework and calling for them to be more central to energy system governance to ensure sufficient policies are in place to meet carbon targets.

2016

- Mar (blog) [Not just independent but also integrated – the future for energy system operation](#) sets out our thinking on why the system operator role has to change in a new institutional framework
- Apr (blog) [Why restructuring GB energy governance is worth the cost](#) sets out some of our ideas for new institutional roles and why they are needed, framed in terms of system change costs.
- Jun (paper) [Briefing: Draft Fit-for-Purpose Institutional Framework for the GB Energy System](#) this draft of our framework sets out in detail some of thinking on the role of different institutions in the GB energy system.
- Jul (roundtable) [Fit-for-Purpose GB Energy Governance](#) This event brought together a range of key stakeholders to get their view and insights on the draft IGov institutional framework which we argue is appropriate for the current and future needs of the energy system.
- Jul (presentation) [IGov Fit-for-Purpose GB Energy Governance](#) given to the above event this sets out the IGov thinking on the need for institutional change and a framework for that.
- Nov (paper) [GB Energy Governance for Innovation, Sustainability and Affordability: An institutional framework](#) this key paper set out our thinking on a fit-for-purpose governance framework at the end of IGov 1. It explains: the need for governing for Innovation; the existing institutional landscape and why it needs to change; principles for institutional reform; and options for institutional change.
- Nov (conference) [Energy Governance: New ideas, new institutions, new people](#) this event wrapped up the findings of the first 4 years of IGov, exploring the fundamental changes that are taking place in the energy system due to new technologies, business models and changing social preferences. It then put forward potential governance solutions to them. A number of resources are available from the event which can all be accessed via a detailed [conference summary](#)
- Nov (presentation) [A Fit-for-Purpose GB Energy Governance](#) given at an event in Denmark this sets provides the context for institutional change in energy system transformation and IGov's ideas for how to achieve that.

2015

- Mar (paper) [Public Value Energy Governance: establishing an institutional framework which better fits a sustainable, secure and affordable energy system](#) sets out our early ideas on what a fit for purpose governance structure is and what it might look like. It sought to stimulate discussion about how governance of the energy system in Britain can better keep up with technological, economic and social change.
- Aug (presentation) [International comparisons of governance and innovations for transformation in electricity systems](#) asked what is governance and why does it matter? It then looked at the idea of Phase 1 and Phase 2 countries in relation to transformation and provided 3 examples.
- Oct (blog) [Fit-for-purpose GB Energy Governance – what is it? and what to call it](#) This blog revisited the above working paper, to reflect on discussions held with policy makers and wider energy system actors on the ideas raised.

2014

- Mar (paper) [Change and Inertia in the UK Energy System – getting our institutions and governance right](#). Looking at the challenges that faced the GB energy system, and the type of governance framework which was needed to deliver solutions for those challenges.
- Oct (paper) [Energy networks and distributed energy resources in Great Britain](#) provides a deep look at energy networks in GB including their governance and how this has evolved since privatisation.

Last Update: December 2019