



CORNWALL INSIGHT

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Alert - Ofgem publishes Forward Work Programme for 2025-26

Headline assessment	
Document:	Forward Work Programme 2025-26
Impact classification:	Medium to High: for all Industry Parties
Action if desired:	Plan and prepare for upcoming calls for input/evidence and consultations

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David Stevenson

Author



David Stevenson

Lead Analyst

d.stevenson@cornwall-insight.com

For more information about us and our services contact us on enquiries@cornwall-insight.com or contact us on 01603 604400.

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1 Assessment and Recommendation

On 31 March, [Ofgem published its Forward Work Programme \(FWP\) for 2025-26](#) following industry [consultation](#). The FWP is an annual publication which sets out Ofgem's operational plan, priorities, and the associated necessary resources required for the coming year to deliver against [the regulator's multiyear strategy](#). This publication contains the programme of work for the second year of the regulator's five-year multiyear strategy.

The programme of work is subject to change as the regulator will respond to any developments as they occur and Ofgem will endeavour to update industry as and when appropriate.

Cornwall Insight comment: *The scope and scale of industry change for this upcoming year is significant (Connections Queue Reform, REMA, MHHS, the end of the smart metering Targets Framework and much more) and this has been reflected in the scale of this year's FWP which is much lighter than the previous but focuses on central topics such as market performance and costs. What could also be significant is the lack of indicative timescales for consultation decisions which featured heavily last year, and which are totally absent in this year's FWP.*

2 Background

The Multiyear Strategy provides the structure for the FWP. Ofgem's multiyear strategic priorities are:

1. Shaping a retail market that works for consumers
2. Enabling infrastructure for net zero at pace
3. Establishing an efficient, fair and flexible energy system
4. Advancing decarbonisation through low carbon energy and social schemes
5. Strengthening Ofgem as an organisation

The first three of these Strategic Priorities are primarily carried out through policy projects and other core regulatory activities. The final two are primarily achieved through commitments to the appropriate administration of the relevant schemes on behalf of Government and maintaining an accountable and transparent regulatory model that is consumer-focused, evidence-based, and adaptable.

There have been external factors that have impacted this year's FWP that have occurred since the last FWP. The Government's Clean Power 2030 target and the Department for Energy Security and Net Zero's (DESNZ's) comprehensive review of Ofgem's role, remit, powers, and duties with an outcome expected in the Spring of this year. Ofgem remains committed to be engaged with these, and they have been factored into the FWP.

3 The Programme of Work for 2025-26

The first Strategic Priority, shaping a retail market that works for consumers, is aiming to ensure fair prices through the Default Tariff Price Cap. Ofgem includes proposals such as consulting on the frequency of the Price Cap. There are a number of in-flight updates to reforms such as the ban on acquisition tariffs (BAT), low or no standing charges and reducing household debt. Ofgem looks to improve quality of service with actions including the creation of a compliance 'playbook', supporting the Radio Teleswitch Service (RTS) switch off and update to the action plan on billing accuracy and debt standards by summer 2025. The introduction of regulation for heat networks also takes effect ahead of the implementation of the new regime in January 2026.

Under the second Strategic Priority, enabling infrastructure for net zero at pace, Ofgem commits to confirming the governance and methodology for spatial energy planning through GB and at different levels. There are also key activities for networks including the introduction of the Advanced Procurement

Mechanism (APM) and reforming the Offshore Transmission Owner (OFTO) regime. Delivering connections queue reform is a priority, as is the associated network performance. This is also where Ofgem looks to the future and explores draft and final determinations for the RIIO-3 price controls for gas transmission and gas distribution and the exploration of hydrogen.

The third Strategic Priority, establishing an efficient, fair and flexible energy system, will see Ofgem focus on consumer-led flexibility for Clean Power 2030 by putting in place the necessary regulation for Demand Response Service Providers (DRSP) and Load Controllers. Ofgem also looks to implement governance for NESO and code reform ahead of code manager licensing in 2026-27, and an additional focus on introducing a Cap and Floor regime for transmission network charges.

The fourth Strategic Priority, advancing decarbonisation through low carbon energy and social schemes, provides some insight into the twelve low carbon energy and social schemes that Ofgem administers. The key areas of focus here are the proposed changes to the Energy Company Obligation (ECO) and Boiler Upgrade Scheme which are due to be consulted on in the coming year. Ofgem highlights that there are a number of schemes that have closed or will close in 2026, and Ofgem reiterates its commitment to determine its role in any replacement schemes.

There are a number of Strategic Priorities found under core regulatory activities and Clean Power 2030 which focuses on its ongoing commitments to regulate the market and its commitment to the Government’s mission of clean power by 2030. Ofgem details four main streams for this latter commitment, including reforming the connections queue, approving network build out, establishing a Cap and Floor regime for long-duration energy storage (LDES), and supporting ambitions for consumer-led flexibility.

Ofgem’s current plans for policy consultations and calls for input/evidence by quarter are found in sections 3.1 through 3.4. *Timings are subject to change.*

3.1 Quarter 1, April - June 2025

Quarter 1 is the busiest in the plan with a host of activity across all Strategic Priorities. Numbered references for example “1.20” refer to the section of the FWP the planned consultations or calls for input/evidence address.

Strategic Priority / Aim	Planned consultations and calls for input / evidence
Clean Power 2030	Long Duration Electricity Storage (1.20): Consultations – (a) Cost benefit analysis framework, (b) Financial model and handbook, (c) Financial framework
Core regulatory activities	DCC (5.1): Consultation – Interim licence changes for price control
Strategic Priority 1: Shaping a retail market that works for consumers	Debt and affordability (2.3): Consultation – Debt strategy update and debt relief scheme
Strategic Priority 1: Shaping a retail market that works for consumers	Consumer confidence (2.4): Consultation – Approach and action plan
Strategic Priority 1: Shaping a retail market that works for consumers	Financial resilience (2.8): Call of Input – Energy networks ringfence review
Strategic Priority 1: Shaping a retail market that works for consumers	Heat network regulation (2.9): Consultation – Initial pricing policy
Strategic Priority 2: Enabling infrastructure for net zero at pace	Centralised Strategic Network Plan (3.3): Electricity transmission project funding

Strategic Priority 2: Enabling infrastructure for net zero at pace	OFTO (3.7): Consultation: HVDC availability and incentive mechanism
Strategic Priority 2: Enabling infrastructure for net zero at pace	Interconnectors (3.9): Consultation – Enhancing interconnector operations
Strategic Priority 3: Establishing an efficient, fair and flexible energy system	NESO – (4.3): Call for Input – Performance during ‘Business Plan 2’ period
Strategic Priority 3: Establishing an efficient, fair and flexible energy system	Code Governance Reform (4.4): Joint DESNZ consultation - Code manager licensing

3.2 Quarter 2, July – September 2025

Quarter 2 focuses mostly on the first Strategic Priority.

Strategic Priority / Aim	Planned consultations and calls for input / evidence
Core regulatory activities	DCC (5.1): Consultation – New licence requirements
Strategic Priority 1: Shaping a retail market that works for consumers	Standing charges (2.3): Consultation – No or low review, Price Cap variant
Strategic Priority 1: Shaping a retail market that works for consumers	Energy system cost allocation (2.3): Call for Input – Scope of review
Strategic Priority 1: Shaping a retail market that works for consumers	Financial resilience (2.8): Consultation – Energy networks ringfence review
Strategic Priority 1: Shaping a retail market that works for consumers	Heat Network Regulation (2.9): Consultations – (a) Authorisation conditions, (b) Authorisation application, (c) Code manager licence conditions, (d) Guaranteed standards of performance ('GSOP') Statutory Instrument

3.3 Quarter 3, October – December 2025

The third quarter sees a switch to the second Strategic Priority.

Strategic Priority / Aim	Planned consultations and calls for input / evidence
Core regulatory activities	DCC (5.1): Consultation – Price control for 2023/24
Strategic Priority 2: Enabling infrastructure for net zero at pace	Heat Network Regulation (2.9): Consultation – Licensing Statutory Instrument
Strategic Priority 2: Enabling infrastructure for net zero at pace	Carbon capture and storage (3.12): Consultation – Data assurance guidance
Strategic Priority 2: Enabling infrastructure for net zero at pace	Connections (3.15): Consultation – End-to-end review

Strategic Priority 3: Establishing an efficient, fair and flexible energy system	Code Governance Reform (4.4): Joint DESNZ consultation – Consequential changes to implement governance framework for first two manage (Phase 1) code manager appointments
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3.4 Quarter 4, January – March 2025

The last quarter progresses and expands on work done earlier in the year.

Strategic Priority / Aim	Planned consultations and calls for input / evidence
Clean Power 2030	Long Duration Electricity Storage (1.20): Consultations – (a) Licence changes, (b) initial decisions on cost benefit analysis for eligible window one projects
Core regulatory activities	Licensing (5.1): Consultation – Changes to gas transporters licensing
Strategic Priority 1: Shaping a retail market that works for consumers	Heat Network Regulation (2.9): Consultations – (a) Authorisation Statutory Instrument, (b) Code manager cost recovery, (c) Changing the cost recovery principles (code manager), (d) GSOP guidance
Strategic Priority 3: Establishing an efficient, fair and flexible energy system	NESO – (4.3): Call for Input – Performance during ‘Business Plan 3’ period

4 Next Steps

The FWP is live, therefore the next steps will be the delivery of the expected consultations and calls for input/evidence.



CORNWALL INSIGHT

CREATING CLARITY

Cornwall Insight
The Atrium
Merchant's Court, St George's Street
Norwich, NR3 1AB

T: 01603 604400

E: enquiries@cornwall-insight.com

cornwall-insight.com

