

Encouraging Demand Side Management

Rushlight Events & Bird & Bird

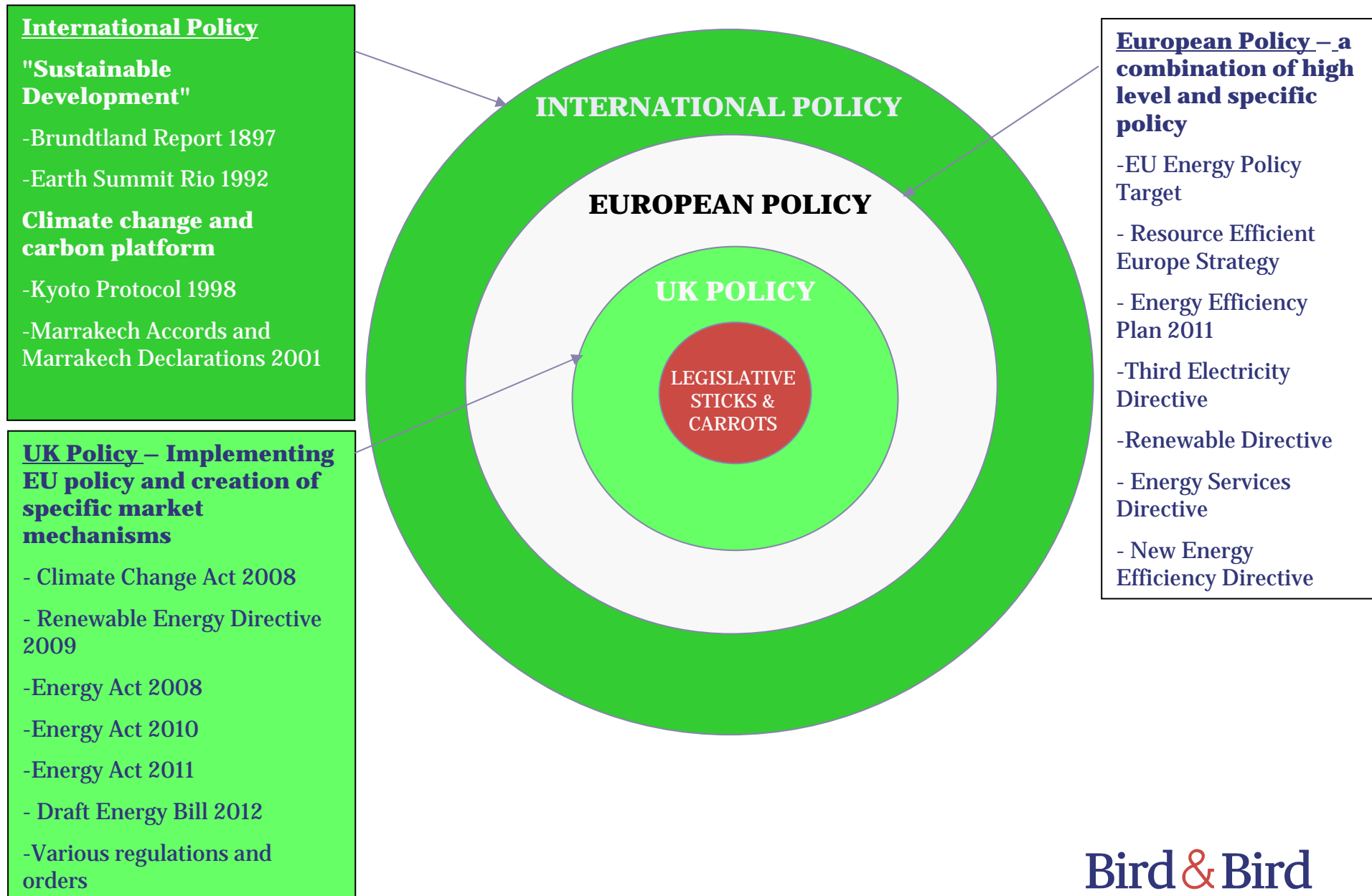
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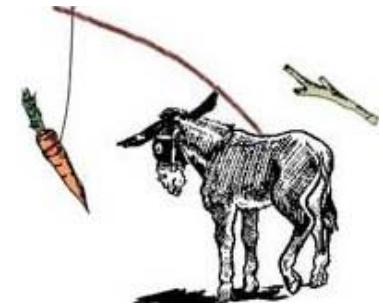
Some examples of demand side management

Approach	Has the potential to...					
	Reduce Energy Consumption	Reduce Energy Costs	Generate Income	Improve Security of Supply	Reduce Carbon Footprint	Achieve renewable targets
Energy Performance Contracts	x	x			x	x
Smart Metering	x	x			x	x
Reserved Services Arrangements (e.g. voltage optimisation)	x		x		x	
Flexible Supply Contracts	x	x	x		x	x
On-site Generation		x	x	x	x	x
Off-site Power Purchase Agreements		x	x	x	x	x
Sustainable Supply Chain	x	x			x	

Some key policies



Some critical questions



Legislative Sticks and Carrots

Carbon Measures:

- EU ETS
- CCL
- CERT

Energy Efficiency Measures:

- CRC Efficiency Scheme
- CESP
- Energy Performance Certificate
- Energy Efficiency in Products and Appliances
- Green Deal
- UKGI NDEE

Renewables:

- ROCs
- LECs
- FiT
- RHI

Security of Supply:

- National Grid Reserved Services
- Capacity Market

Broader policies:

- National Planning and Policy Framework
- Enhanced Capital Allowances

• Energy Efficiency Policy

- Does the UK have the right energy efficiency policy agenda?
- Should the Government regulate more?
- Have they got the balance right between the sticks and the carrots?
- Tackling regulatory uncertainty

• Beyond policy, what will stimulate energy consumers to invest in energy efficiency measures? Some potential barriers to overcome:

- Going beyond minimum legal requirements
- What's the payback?
- Finding the right funding model
- Does the benefit outweigh the disruption?
- Meeting the consumer's corporate governance requirements
- Waiting for commoditisation

Questions?

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