Department of Energy & Climate Change

METER Expert Workshop

Policy evidence requirements

9th December 2015

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Smart Metering Implementation Programme

The 'Policy Cycle'

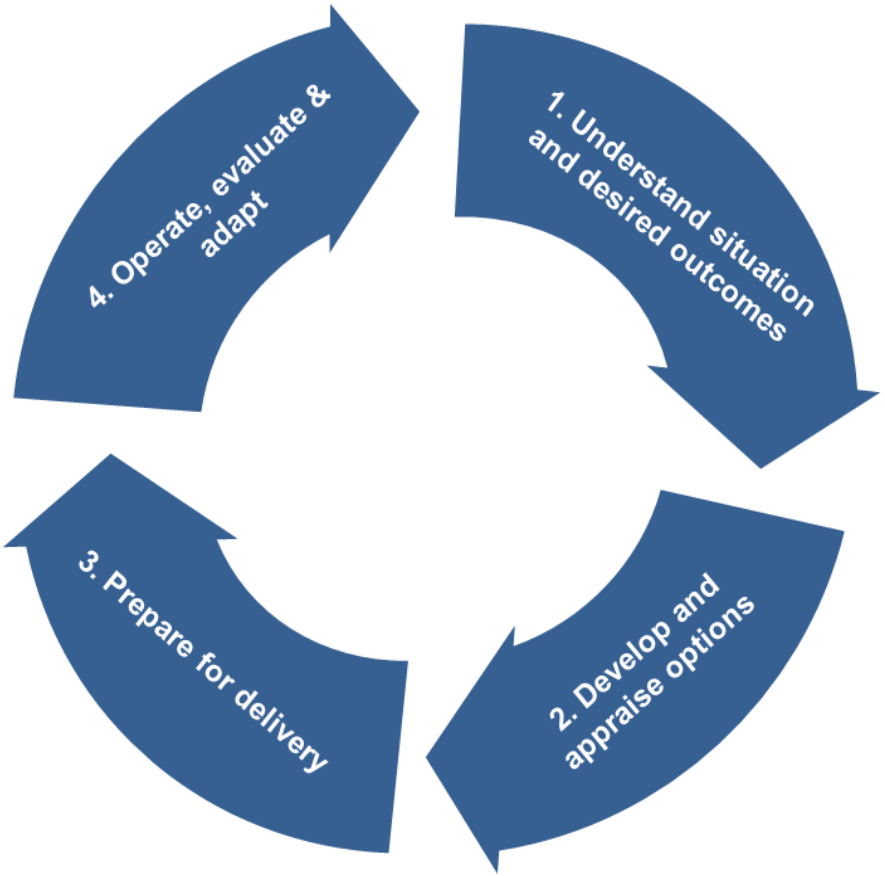
The policy delivery cycle is a simple four-stage depiction of the policy process:

Stage 1 – Understand situation and desired outcomes

Stage 2 – Develop and appraise options

Stage 3 – Prepare for delivery

Stage 4 – Operate, evaluate and adapt



In the context of:

- Smart metering roll-out and linked energy market development
- Further policy options in smart energy area
- Other DECC policies (such as appliances and energy efficiency)

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Smart energy policy

DECC and Ofgem are working on a programme of work, intended to manage the transition to a smart energy system. Topics include:

Levelling playing field for smart technologies

- Clarify role of aggregators in the market, explore the need for policy intervention and regulatory oversight; consider barriers to ownership and utilisation of storage, and how to address these

Delivering clearer price signals

- Consider ways in which we can encourage consumers to offer their flexibility (e.g. half hourly settlement, smart appliances, etc..)

Examining case for more fundamental changes

- Considering what system functions may be required in a future smart energy system to maximise benefits while managing the risks; and how roles and responsibilities may need to change in light of these (e.g. from DNO to DSO).

Developing our analysis and evidence base

- Considering the costs and benefits in more detail; how much flexibility might be 'least regrets'; and identifying evidence gaps more broadly in this area.

Catalysing further innovation

- Ensuring that DECC innovation funding supports those areas critical to the development of a smart energy system. We will also look at how innovation in this area can be supported best by the public sector more broadly.

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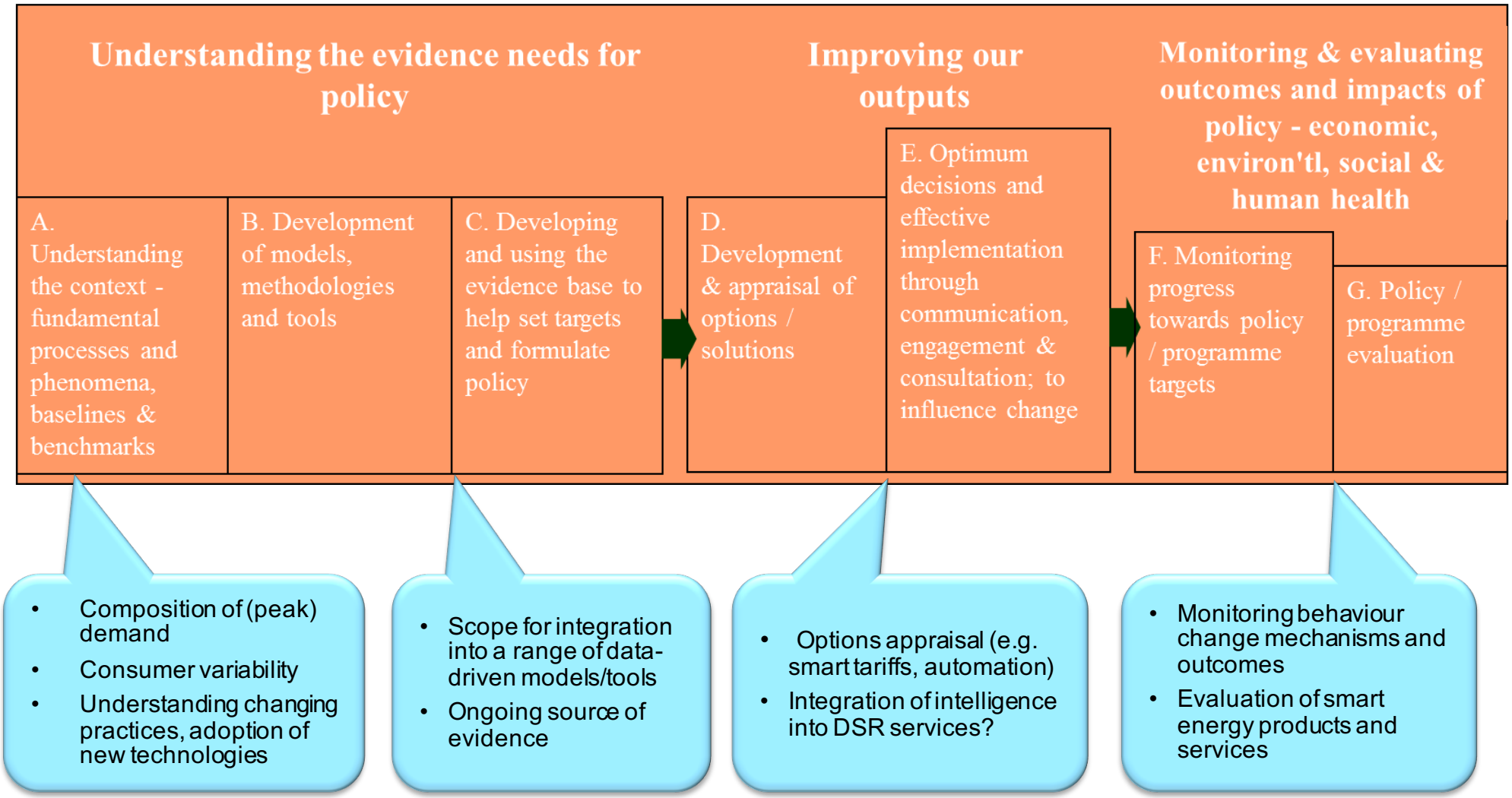
Overview of evidence needs

Evidence and innovation needs: characterisation



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Areas of benefit

- Source of evidence for smart metering implementation programme and wider smart systems policy development, and other DECC needs
- Enhancing End Use Energy Demand centres' capabilities
- Industry data requirements