

Residential & SME Demand-Side Flexibility

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Our proposed approach

Push – pull

Push - making flexibility available

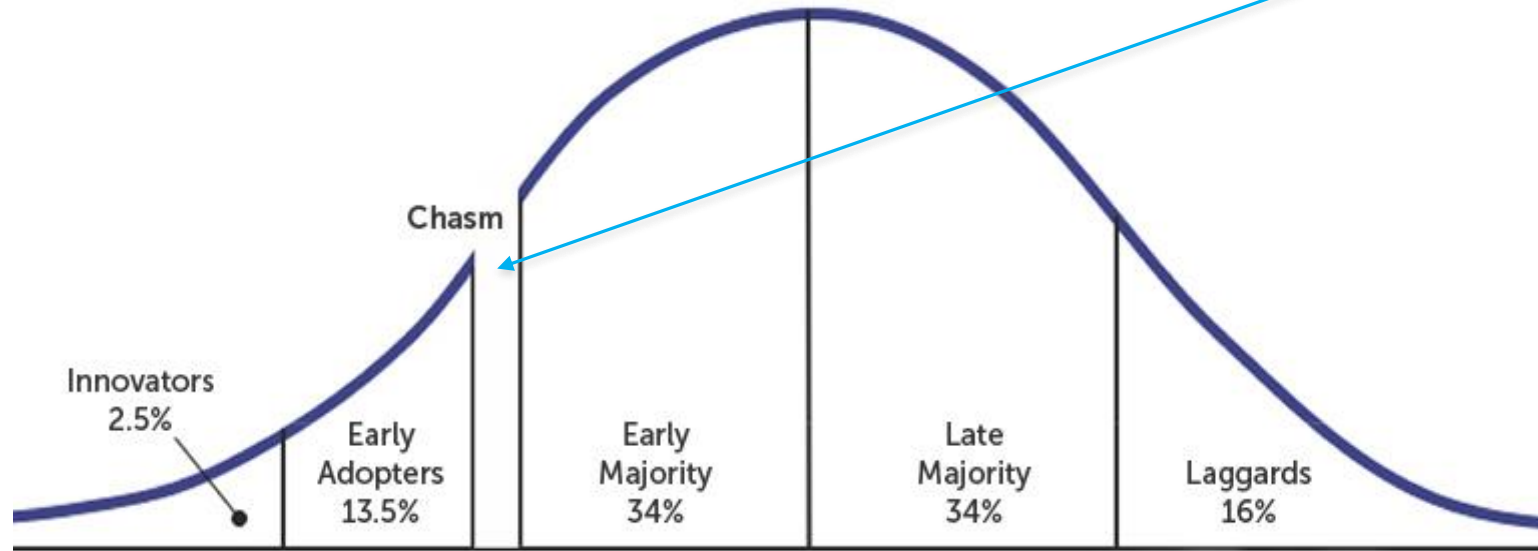
- **Build understanding through making energy data visible and understandable**
- **Incentivise consumers to opt for new technologies – as is being done in other markets such as EVs**
- **Thereby form a significantly larger accessible asset base**

Pull – enabling flexibility

- **Install the right infrastructure – smart meters**
- **Remove barriers to entry for third party aggregators**
- **Provide long term clarity on financial aspects: e.g. taxes, levies, grid charges etc.**

4. Push - Making Flexibility Available

Technology Adoption Life Cycle



Source: <http://www.theagileelephant.com/>

- **Main challenge is** “crossing the chasm” – reaching the early majority.
- **This requires:**
 - **focus on a leading use case to form a role model - a “beachhead”**
 - **a complete product experience – installation, support, maintenance etc.**
 - **professionalised components – no “cowboys”**

Push: making flexibility available policy recommendations

Put consumers at the heart of Demand Management

- The starting point for successful Demand Management needs to be the consumer: they need to make the decision to have the technology installed, engage in DSF and therefore receive an adequate return

Smart Building Certificate and a “smartness” indicator on the appliance Energy Label

- Enhancing the Energy Efficiency Certificate with an “active” measure - a **standardised identification of the available Demand Resource Capacity**. In parallel complementing the European Energy Efficiency Label with a similar measure of the smartness of an appliance.

Incentives at the national level should be linked to the Smart Building Certificate

- These could include tax rebates or investment incentives for new home owners.

Planning stipulations

- To further encourage developers to build flexible homes the planning system should be encouraged/required to meet active EPBD performance levels.

Pull: Enabling Flexibility policy recommendations

Infrastructure

- Install smart meters
- Implement real-time settlement

Removing barriers

- Ensure consumers have control and access to their data
- Consumers have right to access spot market pricing
- Third party aggregators can access markets without prior agreement of suppliers
- Further specification work to put demand flexibility on an equal footing with generation
- Regulatory framework for DSOs adjusted to put DF on the same standing as network investments

Financial clarity

- Long term predictability and clarity on taxes, levies and grid charges

In conclusion

- **Residential and SME Demand Management offers significant potential for the modern distributed energy system**
- **Technology advances and pioneering commercial propositions demonstrate how this potential can be accessed**
- **What is needed is a simultaneous push-pull approach that encourages market adoption and removes regulatory barriers**
- **The recommended measures build on policies that are already in place in both the energy market and other markets such as the automotive market**
- **The time is right to complement passive home measures with active ones and establish flexible appliances in existing homes (the majority) and flexible homes for new build and refurbished homes**

It is time to put consumers at the heart of demand management