



# Energy Demand Reduction Pilot

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# Pilot Objectives and Scope

**WHAT changes energy use, by HOW MUCH & HOW LONG**

## A Series of Trials

- ✓ Initiatives with existing metering, e.g. benchmark bills, displays, advice measures, etc
- ✓ Remotely read meters
- ✓ Smart meters including a visual display unit
- ✓ Time of use tariffs

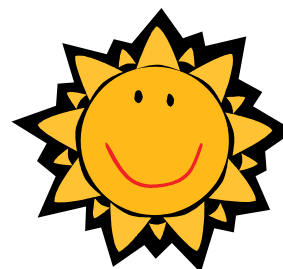
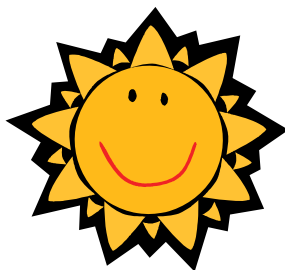
**Domestic (SME)**

**Electricity, Gas and PPM**

**PILOT: aim to cover this range**

# Trial length and reporting

- Must have information from at least 2 winters and 2 summers (early starters more) – up to February 2009



- Trial Reports after each season, + June 2007
- Ofgem produce consolidated reports for government
- Standard reporting framework to ensure comparisons

# Trial Design

Bidders must demonstrate that their trial will produce statistically sound results:-

1. Results must be capable of wider application
2. Trial design must take into account criteria for EEC accreditation (as per June decision document)\*

\* See Ofgem's "Domestic Metering Innovation – Next Steps" document, Appendix 4

# What to include in Bids

## 1. TRIAL INFORMATION

- Details of options to be trialled and how they will be implemented
- Full project plan including risks and contingencies
- Whether regulatory exemptions from market rules are required
- Name and contact details of programme manager



# What to include in Bids (continued)

## 2. FINANCIAL DETAILS

- Total financial breakdown (what and when)
- The financial contribution required from government (max 50%)



# What to include in Bids (continued)

## 3. SUPPORTING DOCUMENTATION

- Commitment to producing trial reports by specified dates (actual dates to be confirmed)
- Independent assessment of statistical soundness
- Details of previous trial experience

## 4. INTELLECTUAL PROPERTY RIGHTS

- Commitment to sharing results





## Bid evaluation process

- Ofgem internal board will evaluate, supported by external consultants
- Interview short listed bidders in October to discuss bids
- Project board meeting with DTI and DEFRA
- Ofgem submits recommendations to DTI by end of October
- DTI will announce successful bidders



## Criteria for Bids

- Statistical soundness – independent assessment preferable
- The fit with other trial projects and wider policy objectives
- Whether the trial, budget and timescales are feasible
- The total value of government funds requested
- Ability to secure reliable access to customers energy consumption information

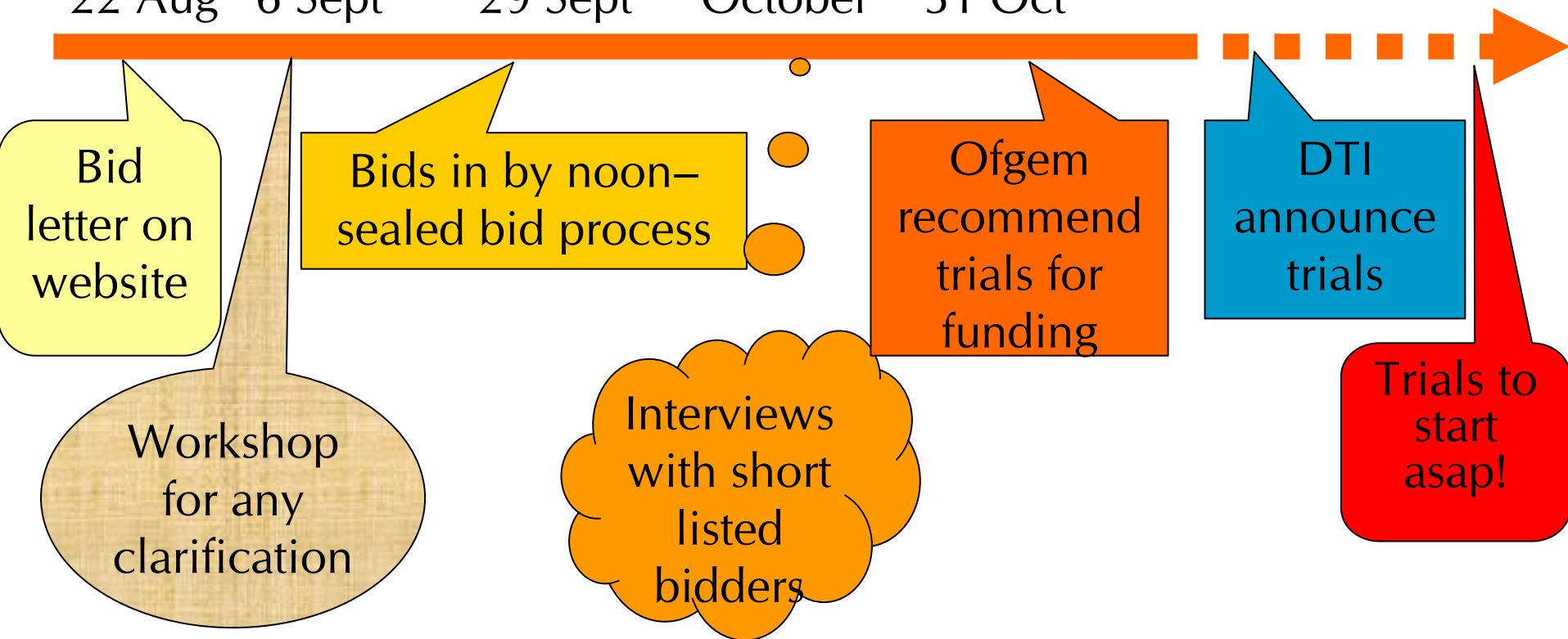
**PILOT: Balanced set of empirical research projects**

# Pilot Stakeholders

- DTI:
  - DTI holds funds, takes final decision on trials to be funded and conditions for award of grants, project board member
- DEFRA:
  - Project board member, discuss recommended bids at project board
- OFGEM:
  - Management role includes considering bids, recommending trials for funding, co-ordination of trial reports, point of contact for bidders/trial managers, chair project board that runs pilot

# Timescales are tight!

22 Aug 6 Sept 29 Sept October 31 Oct



# Deliverables once trials commence

- ✓ Provide reports after each season in standard reporting framework
- ✓ Added report in June 2007 for government
- ✓ Submit invoices to DTI as specified in contract
- ✓ Liaise with Ofgem on all trial issues, particularly where trial is deviating from agreed agenda


# Process for submitting bids

- In by 29<sup>th</sup> September – NOON
- One hardcopy, one disk
- Mark envelopes “**Sealed Bid, not to be opened**”
- Addressed to: Mark Baldock  
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# Please contact us with any queries


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