

❖ Future of IFI & RPZs

- IFI and RPZ should continue beyond 2010 and be on a rolling 5-year basis
- A common flat pass-through rate is appropriate going forward (eg 80% is appropriate to reflect the level of risk but a higher rate would further increase a level of innovation)
- Flexible intensity level (ie reflecting maximum usage of existing allowance; for example, 1% as indicated in the DTI Score Board)
- RPZ should be extended to include the demand side management and storage
- For RPZ projects to increase, the incentive mechanism needs to be improved
- Extension to gas and transmission networks