

Ref: (S)934/hf

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Smarter Markets
Ofgem
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Dear Mr Bansal,

Promoting Smarter Energy Markets

Thank you for the opportunity to comment on this area of Ofgem's work.

The IET is pleased Ofgem has addressed this subject early on in the development of Smart Metering in order to anticipate the potential benefits and also safeguards that will be required. However we are concerned that Ofgem is perhaps being too focussed on containing costs for consumers through price competition and should go further to include ways in which consumers can be assisted or encouraged to benefit by reducing their overall energy use (as distinct from time shifting of demand, which is covered).

There is an opportunity here for Ofgem to promote energy use reduction and efficiency through smarter markets and we believe that an additional specific focus on this aspect would be useful. This should address all potential means to save energy, ranging from behavioural change through to improved insulation, low energy lighting and the full range of other techniques, and explore how these could be incentivised through smarter markets. We appreciate that one way to do this could be through innovation in energy services, and that this is covered in the document, but are concerned that this might be too narrow an approach.

The IET is one the world's leading professional bodies for the engineering and technology community. The Institution provides a global knowledge network to facilitate the exchange of knowledge and to promote the positive role of science, engineering and technology in the world. This response has been prepared by the IET's Energy Policy Panel.

Should Ofgem wish us to assist further in this, for example by a meeting with our experts or by convening an event to bring industry views together, we would be pleased to discuss further.

Yours sincerely



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