

Smarter Markets: Routes to market for DSR

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Smarter Markets Work Programme

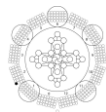
**Smart
meters**
are rolling out



Improving
customer
**change of
supplier**

Examining
changes to
settlement
arrangements

Reform
needed to realise
full customer
benefits



Smart
consumer
empowerment &
protection



Testing current
market
arrangements for
DSR

Smarter Markets objective for DSR:

*Create a market environment that supports
efficient system-wide
use of demand-side response...*

Question for this project:

*How might **current** market arrangements **constrain** DSR market development?*

Identify
problems
with current
arrangements?

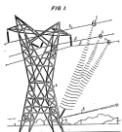
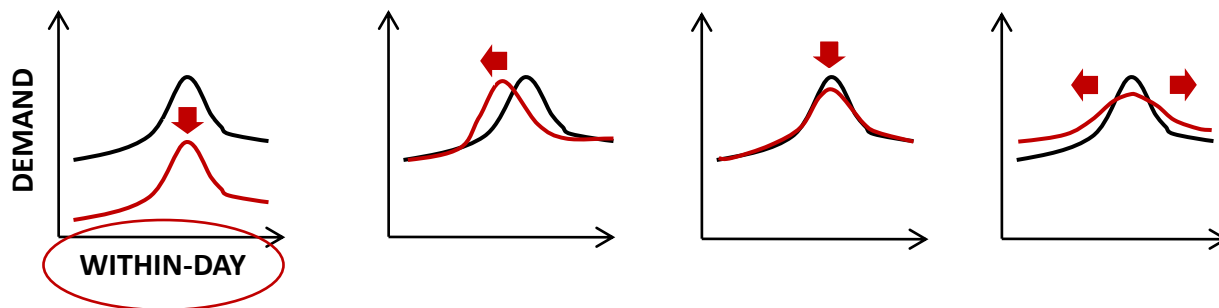
which are
regulatory
issues?

does
Ofgem
need to take
further action?

- Policy proposals **out of scope**

Scope (1): what and when?

Changes in energy use by end-use customers in response to a signal



Focus on
Electricity

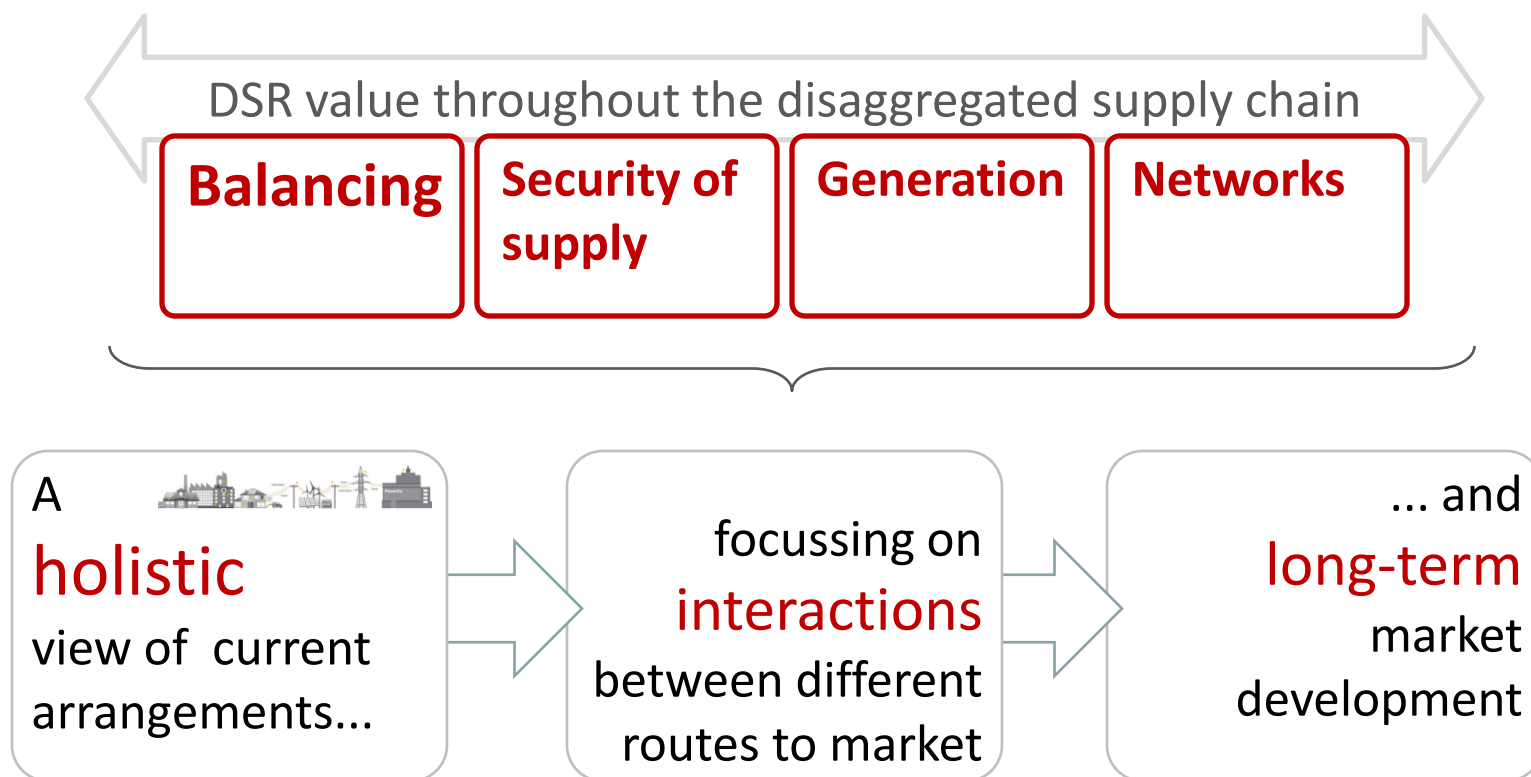


10%
of system costs
by 2050¹







DSR potential
increases
2020
onwards

¹ Pöyry estimate

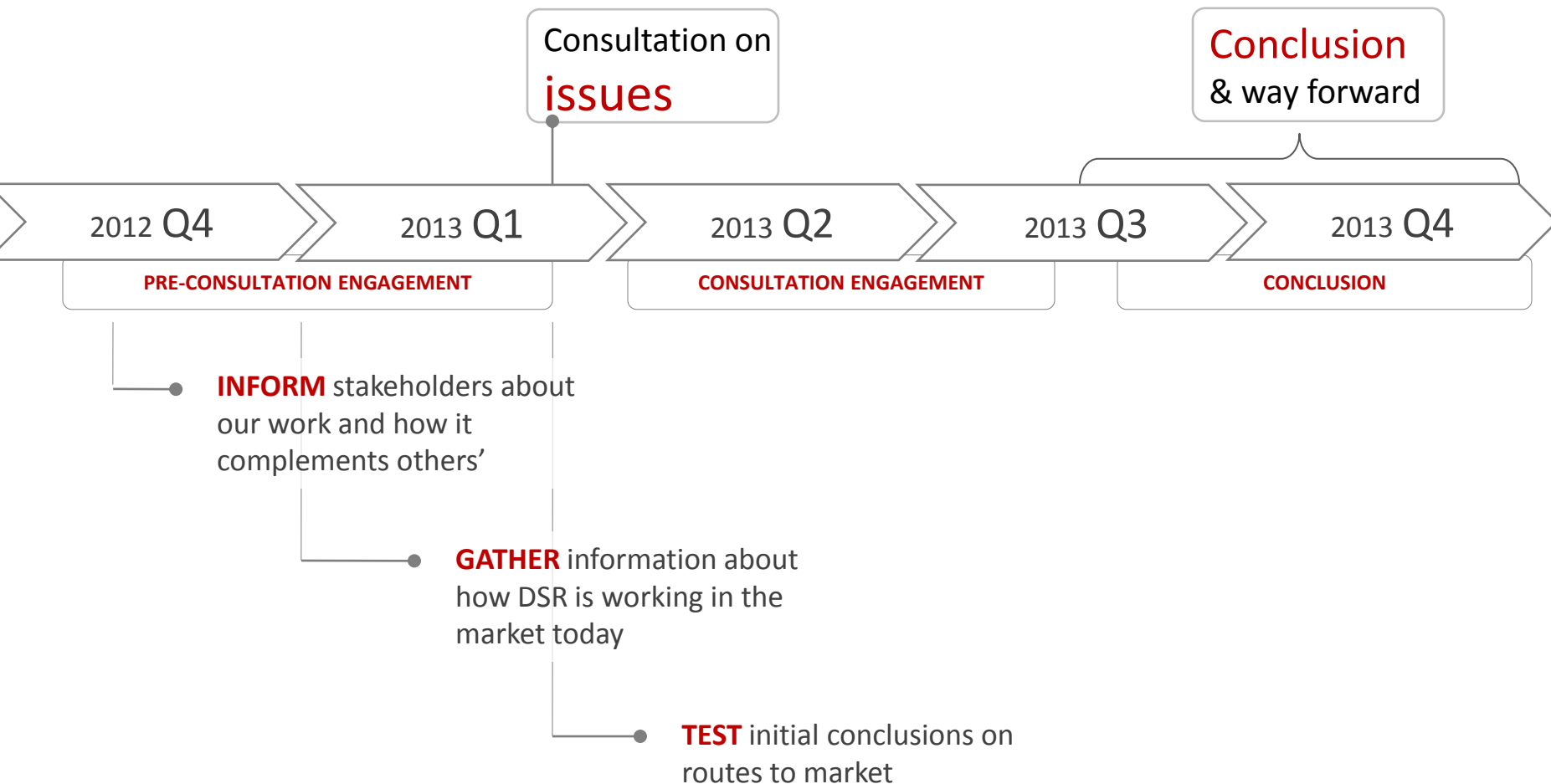
Scope (2): supply chain interactions



Scope (3): Complementing ongoing work

- **Sustainability***first* Smart Demand Forum papers
Research
-  +  Discussion paper
Issues & models
-  **LCN Fund**
Low Carbon Networks Multiple projects
Practical solutions
-  +  Smart Grids Forum – work stream 6
Smart grid issues
-  **RESEARCH COUNCILS UK** Academic work

Engagement: stages and timing





Promoting choice and value
for all gas and electricity customers