

Please include the following in responses to this consultation on the future work programme priorities 2019-21:

The term "consumer" is used regularly throughout the consultation document, and in certain sections also "micro-businesses", but "consumer" should be addressing all types of consumer, to include mid and larger businesses. "Consumer" appears to mainly refer to domestic consumers in your consultation. Whilst a strategic review for micro-businesses is welcome (and easy access to half-hourly data is important), there should be a priority on addressing the needs of the largest consumers and the service they are receiving.

Whilst the price cap for retail consumers is welcome, commercial businesses are seeing the largest energy price increases in years, with as much as 25%-40% increases in 2019, but the future work programme is silent on this issue, why it has arisen or how it can be addressed. These increases will affect business competitiveness and jobs, at a critical time for the economy in the face of Brexit.

According to a recent article by Roger Harrabin (Environment Analyst for BBC) "generation per person is now back down to the level of the 1984 (around 5 MWh per capita). His report says the use of renewables reduced fossil fuel energy by the equivalent of 95 terawatt hours (TWh) between 2005 and now. And last year renewables supplied a record 33% share of UK electricity generation. But in the meantime, humble energy efficiency has contributed to cutting energy demand by 103 TWh. In other words, in the carbon-cutting contest, efficiency has won – so far. And what's more, efficiency is uncontroversial, unlike wind and solar. We need to do more of this, and encourage it, not discourage it by removing or reducing its benefits. The future work programme does not appear to address investment in energy efficiency by businesses as a priority.

Timing. There is a lot of pricing volatility caused by recent gas trends, significant increases for business consumers, uncertainty caused by Brexit, knock-on concerns regarding future Carbon pricing, questionable future relations on inter-connections, uncertainty on nuclear build plans, the removal of FIT and other factors encouraging movement to decarbonisation. In short there is so much uncertainty that early implementation of measures such as those proposed in TCR, will just add fuel to the fire, and will leave consumers so uncertain that the only outcome will be INACTION, rather than desired ACTION. This is at a time when the next round of ESOS audits is due at end of 2019, and you would expect businesses to focus on the outcomes for investment in 2020/2021. Furthermore, the adoption of electric vehicles is moving faster than anticipated and the grid is poorly prepared for changes of such magnitude, so retaining flexibility to support local initiative to reinforce and support EV charging should be kept rather than sacrificed. Ofgem should be considerate to this fast changing dynamic, economic and business uncertainty and consider reducing the speed of implementation of significant initiatives until the market and post-Brexit world is clearer.

There is an absence of policy to continue to support decarbonisation and adoption of renewable energy, with the abolition of the FIT scheme from 31 March 2019. What are Ofgem's plans to continue to support decarbonisation?

An emerging trend in other countries of increasing local micro-grids as their centralised grids become too uneconomic to expand. Local micro-grids in UK could play a major role in stabilising local energy supplies, improving the resilience of supplies and harnessing further benefits from renewables. It is not clear if consideration of this technology is in the Supporting of Innovation category but it warrants a separate examination.

Under Network Preparedness, there is a section on "bringing new interconnectors into operation". Inter-connector suppliers, large generators and small generators play different roles in the UK energy grid and have different values to the grid. Inter-connectors and large generators are not suitable for providing the flexibility that the grid increasingly requires, particularly with the increasing percentages of intermittent renewable energy in the energy mix. Ofgem should be ensuring that there is no unfair advantage to inter-connectors who do not presently benefit face the charges levied on UK generators, and should be ensuring promotion of UK businesses as a priority, as a post-Brexit dividend that is needed.

I trust this is helpful to your consultation process.

Regards

David Kipling