



Consultation: Access to Half-Hourly Electricity Data for settlements

E.ON Response

29 March 2019

Summary

E.ON welcomes the opportunity to input to this call for evidence but as E.ON is only in the initial stages of developing flexibility products for domestic customers, our empirical evidence from trials is limited and as such we mainly offer thoughts and insight.

We have grouped some of the questions to avoid duplication.

Questions relating to Customer communication and engagement? (2.1a, 2.1b, 2.2, 3.1a)

- E.ON considers the best method of communication is via the renewal documentation. Using the renewal process to engage the consumer and to propose a move into the HH market would be ideal and be the best opportunity for engagement.

Questions regarding consumers ability to load shift? (2.6, 2.8, 2.9)

- Consumers with fixed demand requirements such as heating or medical equipment may face barriers with load shifting. The industry would not want to encourage vulnerable consumers to switch off heating during peak times to save money if it will impact them negatively overall.
- There is an opportunity at an industry level that, for consumers who may not be able to flex their consumption, suppliers/network operators could manage their load via a community battery or other local storage device. This would assist consumers in reducing their demand on the network during peak times and support load management.
- We believe that technological barriers for consumers are minimal; the chief barriers are the initial cost and education. There is only a certain amount of demand that can be shifted from peak periods, via demand side response (DSR), and using batteries could support the reduction in the remaining load during peak periods as suggested above. The significant challenge for batteries is the associated outlay and costs. This would also include any vehicle to grid opportunities where the cost of an EV is only available to the more affluent, engaged consumers.
- Any load shifting opportunities in particular for a managed battery should be supported with clear guidelines on how the consumer's volume would be managed and the impact of any expected reductions. Also, to try to encourage uptake of batteries and storage systems there should be a financial incentive, particularly in the domestic area, which could be achieved via reduced VAT or central government-funded discounts.

Questions relating to TOU / Flexible Tariffs? (2.10, 2.11 2.12, 3.13, 3.14 ,3.15)

- E.ON has only recently started to engage consumers with regard to Time Of Use (TOU) tariffs and our surveys are mainly driven by end consumers' demands more than a requirement to shift load.

- Following the roll out of Market Wide Half Hourly Settlement (MWHHS) we anticipate the following three principal tariffs:
 - varying 6hr-period offerings
 - evening and weekend options
 - smart flexibility tariffs

Although there will be slight variants, we believe that most tariffs will fall into one of the above categories. It is also worth noting that TOU tariffs only really release opportunities to consumers whose usage is significantly different to the normal profile and who are capable of shifting their load; as such we expect most tariffs will be solution specific e.g. EV ToU tariffs.

- Any unique or specific tariffs that we have offered as part of mini trials have normally been welcomed by the end consumers; however, this is normally because it is offered in line with a consumer's unique circumstances.