

Tomorrow's Utilities – what future?

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New Thinking For Energy



GB an outlier

- Do not judge the world on GB's actions
- See IGOV website <http://projects.exeter.ac.uk/igov/>

What future for conventional utilities?

What does this depend on?

- The key issue is whether the energy system decentralises or centralises
 - Much easier for conventional utilities in a centralised future
- What does this depend on?
 - Prices / technology ie RE / storage
 - Social preferences / social innovation / social movements (incl. faith groups / FF disinvestment)
 - Public policy announcements ie EU, China, India, Brazil, US etc
 - Governance – and what degree ie DSPs/ DNOs
 - Germany / DK / CA paid for technology price reductions so that decentralisation is much more appealing to other countries now

Characteristics of future utilities

- My own view is that the global energy system has now tipped towards a RE / EE future
- The future of utilities therefore depends on whether conventional utilities can change their mind set to new technologies and scale
- They cannot continue as they are – they need a new business model (BM) which enables them to exist in a decentralised world
 - Could match industrial demand
 - Need to genuinely put their weight behind ‘new’ energy system – fudging is no good
 - DSPs/DNOs as market facilitators are a new value proposition (eg see NY REV blog <http://projects.exeter.ac.uk/igov/new-thinking-reforming-the-energy-vision-an-update/>)

Can conventional utilities continue to dominate if they change their BMs?

- Different issues in different countries
- Proportions of non-traditional BMs to BM in respect of technology, ownership, level of 'democratisation' is still unclear in some countries ie GB where VI and dominated by a few big companies
- Appropriate governance is the key to democratisation