Tomorrow’s Utilities – what future?

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Cornwall Energy, Oct 6 2015
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