



New Thinking
For Energy

Case Study Report on IGov: Innovation, Governance and Affordability for a Sustainable Secure Economy

October 2012 to December 2016

Overview

IGov was an EPSRC Established Career Fellowship for Prof. Catherine Mitchell within the Energy Policy Group at the University of Exeter. The research examined the governance of the GB energy system (the rules, regulations and institutions) that are in place and specifically how these enable or hinder a move towards a more sustainable, demand focussed energy system.

Tackling climate change whilst ensuring energy security and affordability is a key challenge facing energy systems within GB, and internationally. The goal of moving towards a more sustainable, low-carbon economy implies the need for a radical transition in the way that energy is both supplied and used, and the way that energy systems are operated. Such a change relates not only to the technologies that are developed and deployed but also the wider political, social, and economic institutions and infrastructures in which they are embedded. This is a dynamic and complex process.

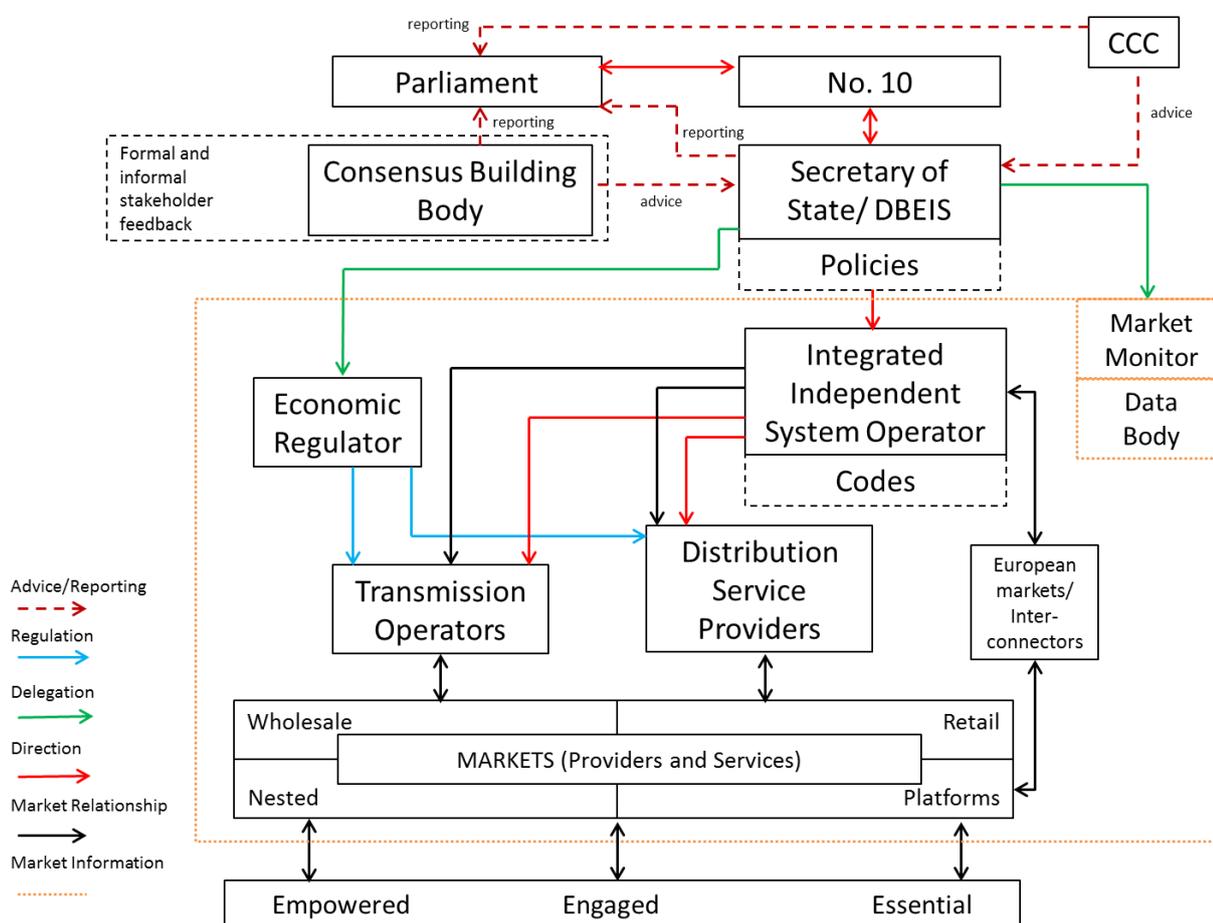
In the 4 years that IGov ran, the team produced: 21 working papers; 22 journal articles, 140 blogs and ran a series of events on innovation and governance. All of the outputs from the project are available on the IGov website (www.exeter.ac.uk/igov) and this includes a detailed summary of the [project outcomes and impact](#).

Summary of Findings

IGov has shown that the governance arrangements that are in place shape the design and implementation of regulations, markets and institutions. As such, in its widest sense, the governance framework is what ultimately shapes the way in which actors make money within the energy system, and it influences which actors, technologies and approaches are encouraged, undermined or excluded. Getting the governance system right is therefore a key aspect in enabling an effective energy transformation. An issue that became clear within the research is that whilst 'new' technology development and deployment races ahead, both infrastructure and regulation are lagging behind. This lag can slow down and undermine the low carbon transformation and increase its costs. IGov argued that the current governance framework has slowed change in GB and continues to do so. Much of the value is still going to the 'old' system, in terms of existing technologies, system operation and actors. Also that there is a gap between rhetoric and practice, with GB energy policy often taking one step forward and two steps back in terms of move towards a sustainable, secure and affordable energy system.

IGov identified a number of specific challenges that need to be addressed in order to move from the current energy system to a future one that meets the energy system challenges, and these fell under four areas: Problems to do with transparency & legitimacy of decision-making; Problems to do with current institutions; Problems to do with operation; and a number of things that are lacking within the current governance framework. Based on these findings we identified six principles for institutional reform and proposed a fit-for-purpose institutional governance framework that could deliver these changes – figure below. A detailed summary of this part of the work are in the paper on [GB Energy Governance for Innovation, Sustainability and Affordability: An institutional framework](#). The six principles included:

1. Starting with and centred on, the consumer
2. Facilitating local markets
3. Open and transparent access to data
4. Greater coordination and integration
5. Long-term political stability
6. Transparency and legitimacy in policy making



Future Research

Additional funding was secured from EPSRC in 2016 to extend the scope of the IGov research. In October 2016 a new phase kicked off - IGov 2: Innovation, Governance and Affordability for Future Energy Systems. Within this second phase, the research is exploring energy system change that is happening at the moment; the different dimensions of that change, the reasons behind it and how actors and governance are responding. The research will seek to identify how disruptive energy system change is and how GB can capture the opportunities and benefits that it offers. All of the outcomes and information on the events and webinars that will be running will be posted on the [IGov website](#).