

I-REMB Panel 2 Experimenting with market design

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New Thinking For Energy



General

- Energy is a whole system so market design cannot, and should not, deliver decarbonisation, security and affordability, alone
 - The surrounding energy system has to be complementary to market design, and do its bit
 - System (ie codes, licenses etc) and Network rules and incentives
 - Tariffs
 - Institutional framework
 - Optimisation – top down / bottom up / middle out?
- Technology change is rapid so it requires a market system not linked to technology characteristics but to required system outcomes (eg flexibility)
 - ICT (for both system operation; appliances etc)
 - Storage etc

General (2)

- All customers are unique and markets have to reflect that
 - Increasingly work is showing us that ‘old’ ways of thinking about customers (industrial, commercial, domestic) need to give way to new ways of thinking of them (whether engaged through to unengaged) and the services they want / can provide system
- Dk has particular benefits about its geographies but would be nice if I-REMB also sets their learning into wider context
 - Global learning is speeding up

General (3)

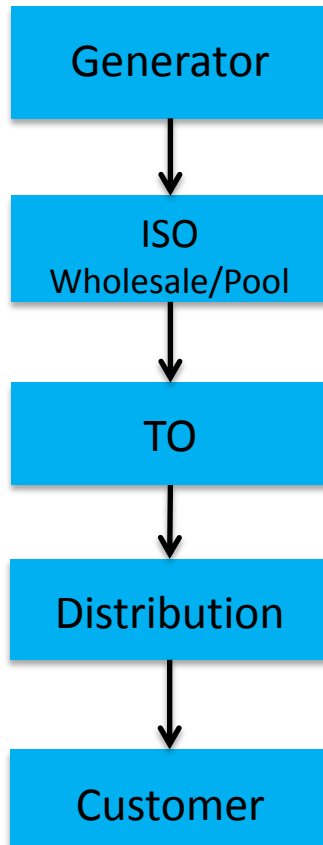
- Just because the market / SO / network rules are as they are does mean they have to continue to be
 - I-REMB needs to keep EP goals at forefront of the point of the research work - does ownership matter? Industrial policy; keeping energy economy in Dk? Who invests? Social preferences?

Specific to I-REMB proposal

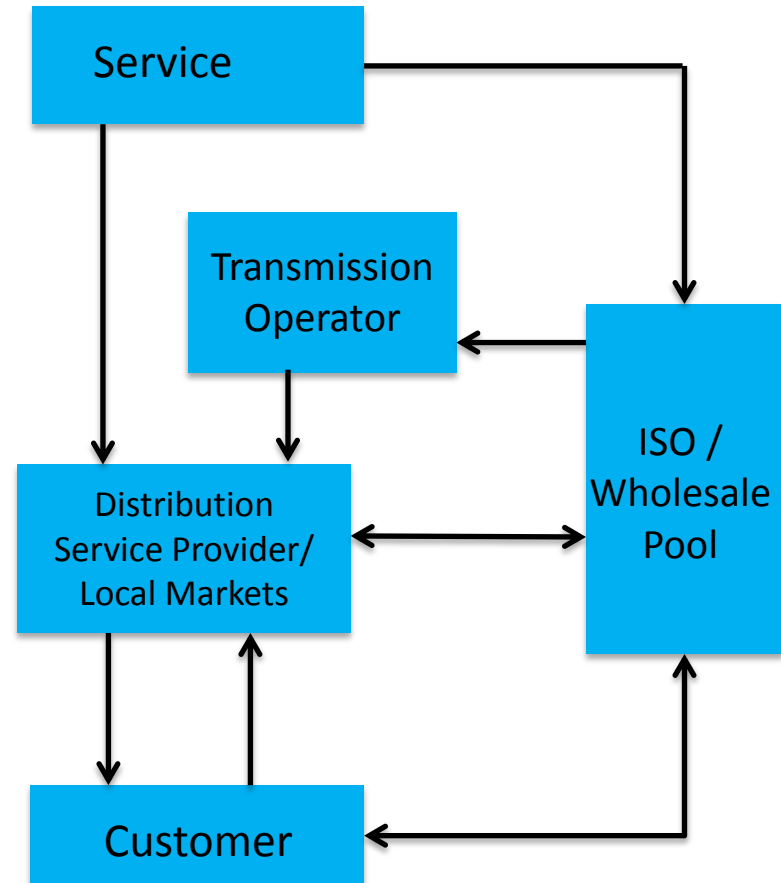
- I would like to have clarity at the end of I-REMB on how WP2, WP3 and WP4 come together?
- I would like I-REMB to be able to show / provide evidence that a market (and institutional) design for a sustainable, affordable and secure energy system can be cheaper and more energy efficient
 - As argued by NY REV
- I would like to understand / see more evidence about how local markets fit with wholesale markets
- I would like to understand / see more evidence of the benefits of bottom-up optimisation
- I would like clarity if there needs to be a changing balance between markets and regulation

New (performance based) regulatory thinking – creating value via the DSPs

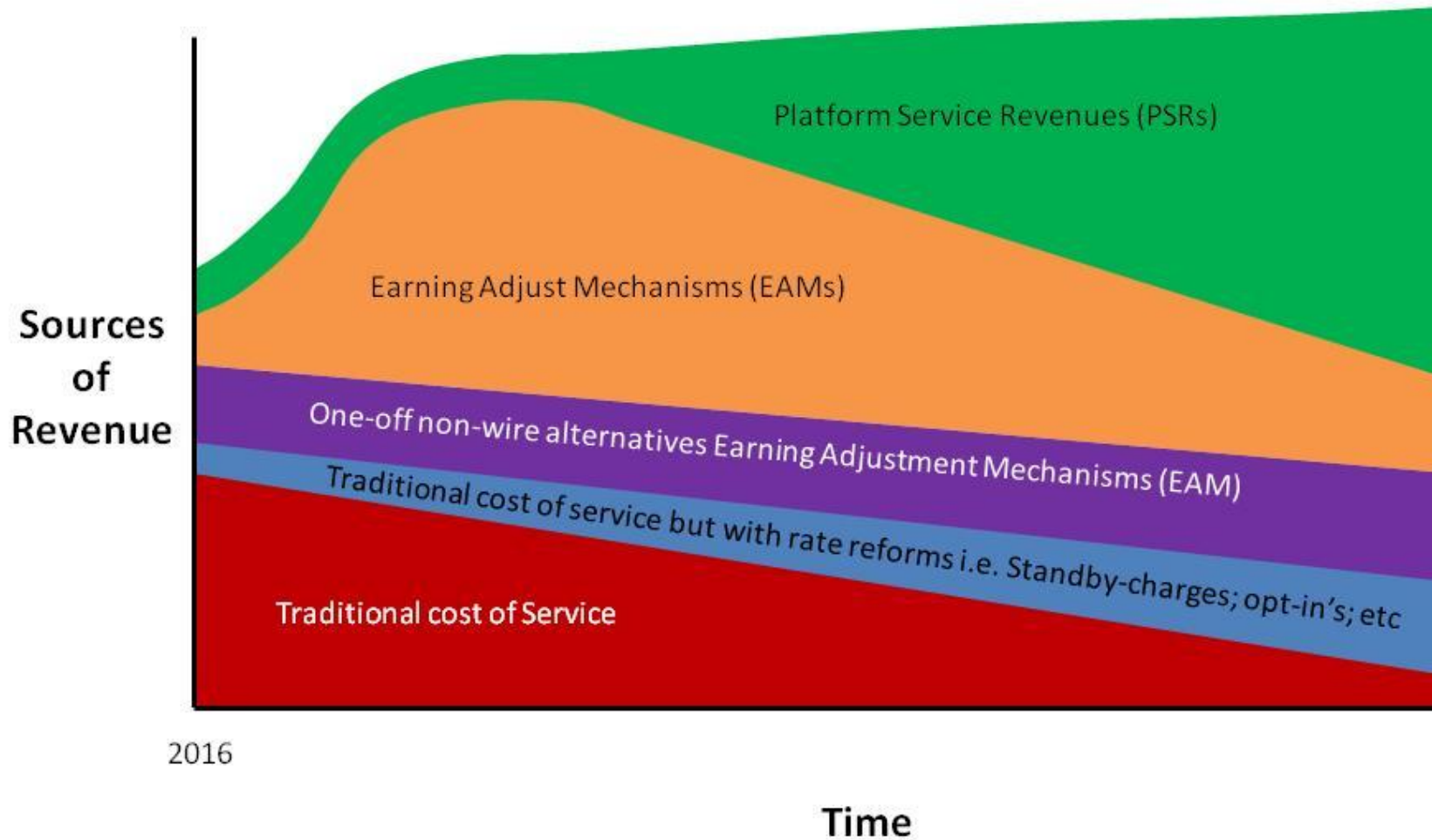
Traditional



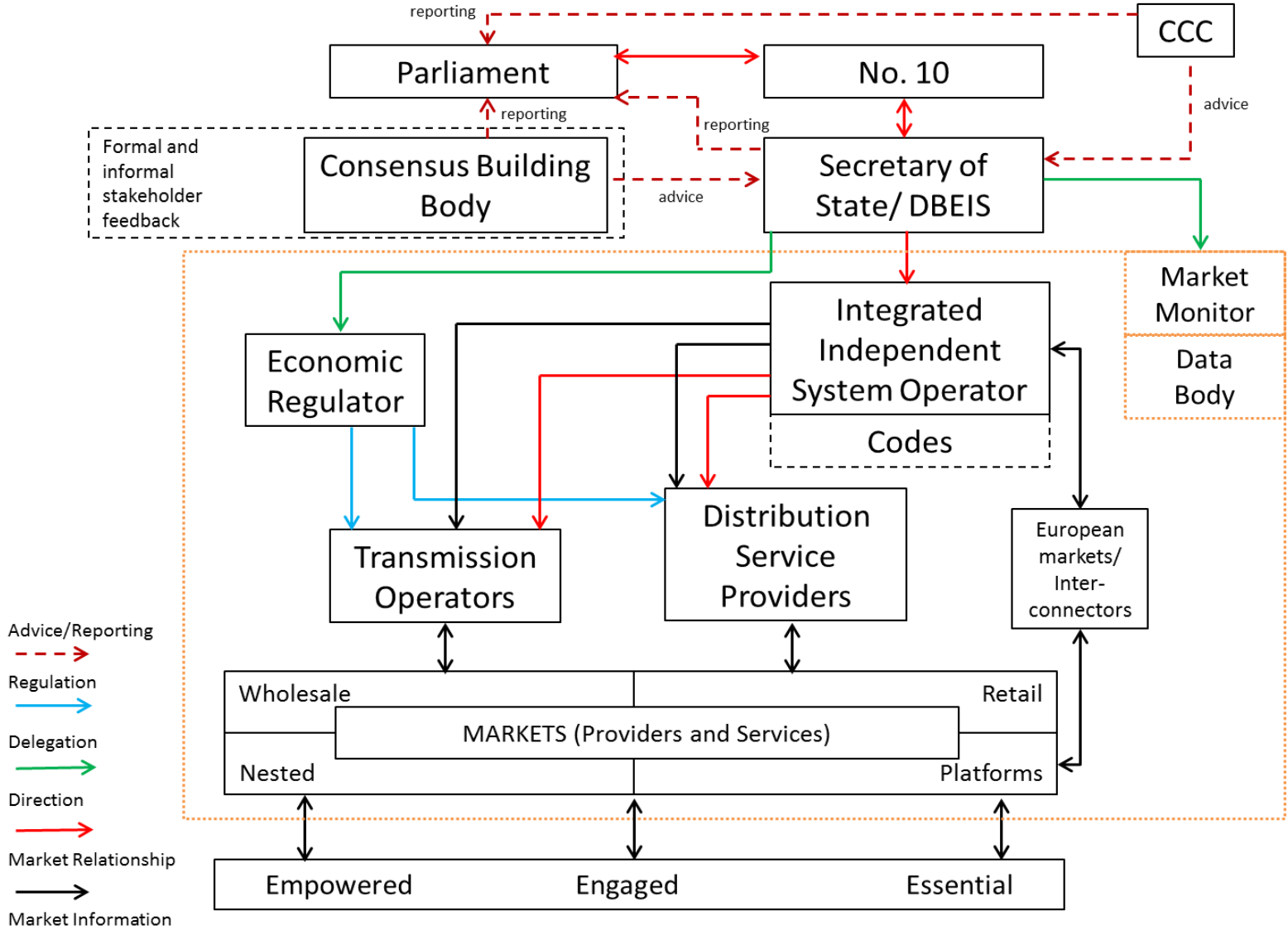
NY REV



Sources of Utility Revenue within NY REV



Fit for Purpose IGov Framework



DSP Markets

