



Department for
Business, Energy
& Industrial Strategy

ofgem

Making a positive difference
for energy consumers

Smart Energy: Call for Evidence

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Call for Evidence on Smart Energy

Removing barriers to storage and DSR

- Clarify role of aggregators,
- explore the need for policy intervention and regulatory oversight,
- evaluate and **address barriers to ownership and utilisation of storage**

Improving price signals

- Consider ways in which we can **encourage and reward consumers** to offer their flexibility (e.g. half hourly settlement, smart appliances, etc)

Catalysing innovation

- Ensuring **HMG's innovation funding** supports those areas critical to the development of a smart energy system, inc **evaluating the public sector's role** in supporting smart.

Assessing changes to roles & responsibilities

- Considering what **institutional and market frameworks** may be required in a future smart energy system to **maximise benefits** while managing the risks; and how roles and responsibilities may need to change in light of these (e.g. from DNO to DSO).

Developing our analysis and evidence base

- Considering the **costs and benefits** in more detail; how much flexibility might be '**least regrets**'; and identifying **evidence gaps** more broadly in this area.

Update on progress on storage:

- General consensus that we have identified the correct barriers.
- Some additional barriers raised, such as ability to stack revenues

| Areas consulted on | High level update |
|--|--|
| Clarifying regulatory treatment of storage (licensing options) | Agreement that more clarity required. Teams assessing options |
| Definition of storage | Agreement that definition required. Teams assessing options |
| Network connections issues | Positive progress being made by industry. Ofgem assessing gaps where further action needed |
| Network charging issues | Ofgem will consult on storage charging changes in upcoming charging consultation |
| Use of storage by network operators | Agreement that can provide value to network. Mixed views on ownership. Teams assessing options |

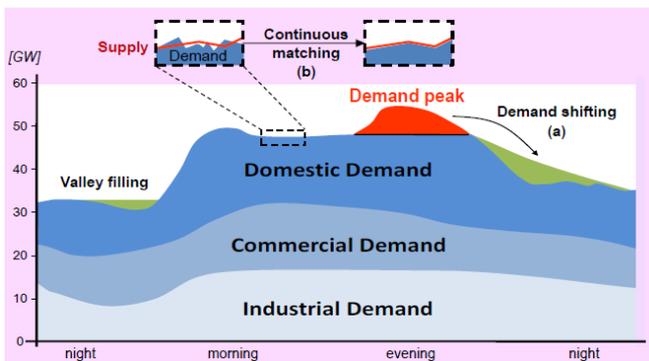
Vehicle to grid pilots

Storage costs



Innovation

Commercial and residential DSR trials



Flexibility platforms

