

Mr Jonathan Brearley
CEO, Ofgem
10 South Colonnade
Canary Wharf
London E14 4PU

Flexibility First Forum
Wednesday 5 February 2020

Dear Mr Brearley,

Delivering on the Action Plan: The Role of Flexibility for Customer Reward

On behalf of the UK's energy flexibility sector, we would like to congratulate you on your appointment as the new CEO of Ofgem. With your experience in system transformation and networks, we look forward to working with you through this critical year of energy transition.

The Flexibility First Forum has the objective of accelerating Britain's transition to a zero carbon smart, flexible energy system. Our organisations span the energy flexibility services supply chain, forming the intelligence and technology behind a decarbonised, cost-effective energy grid. From energy retailers to generators, manufacturers and trade associations, we have come together to champion the potential of consumers to drive decarbonisation, and to call on Ofgem to provide the support we need to realise it.

We welcome the steps Ofgem has taken in the publication of its Decarbonisation Action Plan. For a cost-efficient decarbonised system, consumers should be directly incentivised for intelligent and efficient energy and network use. This can only be achieved if customers are rewarded for shifting demand away from peak times and providing flexibility to the networks to help manage system stability and constraints. Alongside smoothing generation peaks and troughs, flexible asset technologies can provide other valuable grid services like frequency response.

Government and industry have taken great effort to roll out smart infrastructure. By removing barriers to demand flexibility and introducing more efficient market dynamics, the uptake of flexible technologies will accelerate. Deploying flexible technologies could save £40bn¹ across the electricity system, a crucial cost saving if the UK's journey to net-zero is going to be delivered at the least cost to consumers.

The Decarbonisation Action Plan is a clear statement of intent to support flexibility. To turn that intent into action, and to provide industry with the confidence it needs to evolve rapidly and invest in innovation, it's crucial we see the detail of the commitments outlined in the Plan and their timings as soon as possible.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/568982/An_analysis_of_electricity_flexibility_for_Great_Britain.pdf

We look forward to working with you to address the obstacles that might otherwise prevent customers from being empowered to drive the energy system transformation and benefit from that change.

Yours sincerely,

This letter has been sent to you from the following companies:

- The ADE
- Centrica
- Chameleon Technology
- Eco2Solar
- Electron
- Eneropp
- E.ON
- Flexitricity
- Geo
- Glen Dimplex Heating & Ventilation
- Kaluza
- Kiwi Power
- Solarcentury
- Solo Energy
- Moixa
- Octopus Energy
- Open Energi
- OVO
- PassivSystems
- Powervault
- The REA
- RenewableUK
- techUK