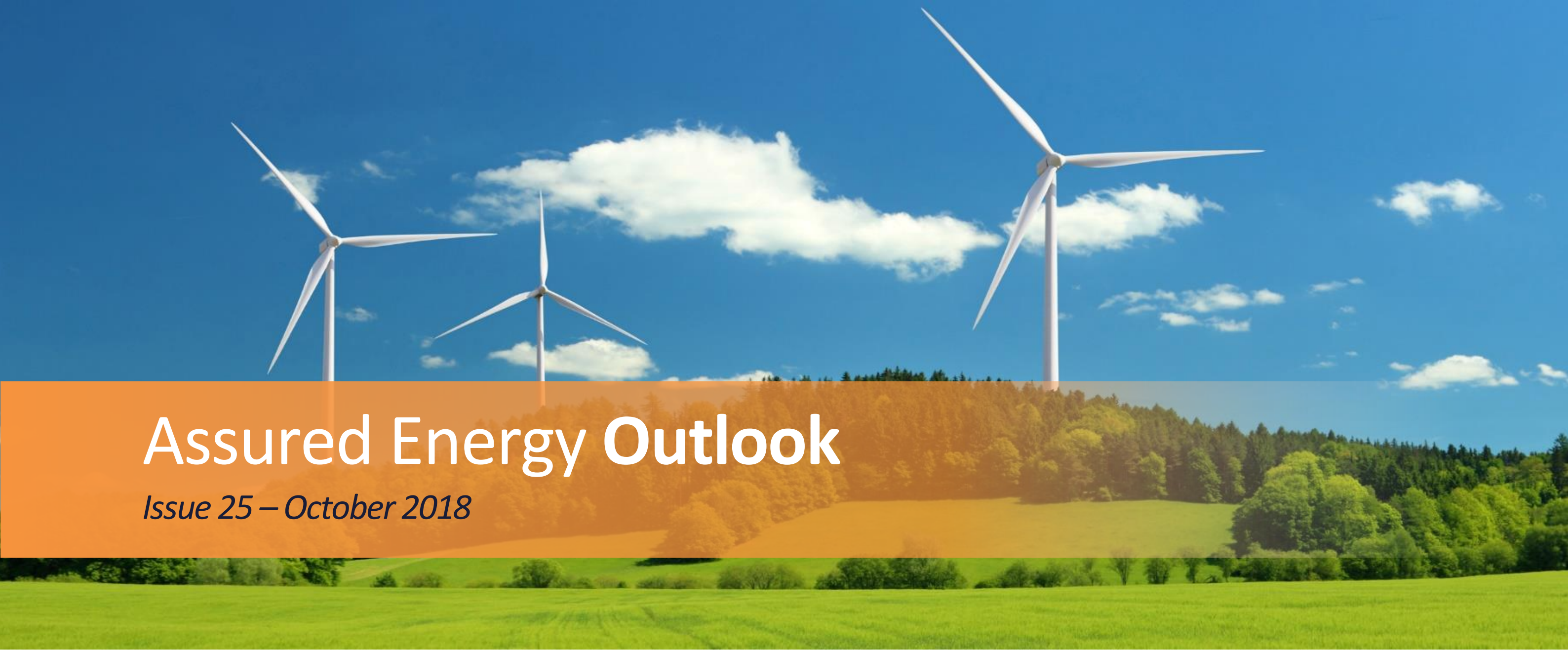

Assured Energy **Outlook**

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Party conferences bring new energy policies

The last month has been party conference season, with Labour's taking place towards the end of September. They unveiled their plan for a "Green Transformation", through which they will aim for the UK to get 60% of its power from renewable sources within 12 years of Labour taking power.

Proposals included removing the barriers to onshore wind development, as well as supporting the construction of tidal lagoons, including the recently rejected Swansea tidal lagoon. The party also said it would ban fracking, which they said would "lock the UK into high-carbon energy infrastructure".

Finally, Labour proposed a National Transformation Fund that would invest £250bn over ten years to "help place our economy on a low carbon, sustainable footing".

The Conservatives held their party conference between 30 September and 3 October.

Prime Minister Theresa May argued in her closing speech that "broken markets" should be solved by intervention, not nationalisation.

At a fringe event on Accelerating the Transition to Electric Vehicles, hosted by the Conservative Environment Network and UK100, Conservative MP Neil Parish called for a mix of approaches to low-carbon vehicles, while Wandsworth Councillor Jonathan Cook said that the right infrastructure was essential. At a Policy Exchange event, BEIS Minister Richard Harrington said that more nuclear power stations were required to meet the UK's targets.

Additionally, at another Policy Exchange event, Energy and Clean Growth Minister Claire Perry stated on participation in the EU's carbon market that there "doesn't seem any benefit to doing something different".

SMEs and microbusinesses paying more for energy, Ofgem finds

Ofgem's latest *State of the Energy Market* report found that small and microbusinesses are still paying higher rates for energy than larger businesses. The report, released on 11 October, said that microbusinesses paid 35% more for electricity than large businesses in Q1 2018. It was also found that microbusinesses on default tariffs paid around double for each unit of gas consumed and 70% more for each unit of electricity, compared with microbusinesses on negotiated tariffs.

Ofgem pointed to larger businesses being able to negotiate directly with suppliers and being able to earn revenue from flexibility services as reasons behind this disparity.

National Grid confident that it can meet UK's winter energy demand

National Grid's *Winter Outlook 2018-19* has predicted that the UK's winter energy demand this year will be met, even in the event of a cold snap. Released on 11 October, the report concluded that, on a week-by-week basis, demand on the national transmission system will peak at 48.2GW and reach a minimum of 20.8GW over the Christmas period. The de-rated power margin was forecast at 7.1GW – 0.9GW more than last year. The system operator also predicted that gas demand will be 46.6bn cubic metres – slightly lower, weather-corrected, than last year, likely due to the higher price of gas.

National Grid said: "Even under colder conditions than experienced in recent years, we are confident we have the right products and strategies in place to help us balance the gas and electricity networks."

Flexibility project for SMEs awarded government funding

A new demand-side response (DSR) project was awarded nearly half a million in government funding to help smaller commercial energy users to take advantage of flexibility services. DSR allows businesses to earn revenue from National Grid by offering to reduce their energy consumption when demand is high.

DSR specialist Flexitricity's Quickturn project aims to reduce the costs associated with setting up a DSR dispatch system by improving communication speed and reliability, allowing small businesses to take greater advantage of revenues. Flexitricity has partnered with the University of Edinburgh's institute for Digital Communications, which will contribute expertise in emerging technology. Flexitricity founder and CSO Dr Alastair Martin said: "The ongoing drive towards a more decentralised, renewables-based energy system means that small businesses […] will have a vital role to play in the long-term management of our energy system."

Small businesses call for "smarter, cheaper and fairer" energy market

The Federation of Small Businesses (FSB) has proposed new measures to make the energy market friendlier to small businesses.

Published on 11 September, its *Open Energy* report laid out various proposals including calling for a standardisation of tariffs in machine-readable formats to allow for automated comparisons to energy tariff offerings. It also proposed making smart meter data available to approved third parties as well as allowing energy customers to use third party contract switching services. The FSB highlighted the importance of sharing energy data to empower customers and help them make smarter decisions about their energy supply.

Mike Cherry, National Chairman of FSB, commented: "Small businesses are often the worst hit by an energy market that simply doesn't work for them. Too often we hear stories of smaller firms being overcharged or being stuck on the most expensive tariffs."

IPCC report says world has 12 years to stop temperatures rising above 1.5°C

A landmark report by the UN Intergovernmental Panel on Climate Change (IPCC) has said that there are 12 years left to prevent a global temperature rise of more than 1.5°C. The report warned that "rapid and far-reaching" transitions in land, energy, industry, buildings, transport, and cities would be required to achieve this.

The IPCC said that a rise of 1.5°C would result in far less severe consequences than a rise of 2°C. The greater of the two temperature rises, the report said, would lead to more severe and frequent extremely hot days and a rise of sea levels by 10cm that would affect 10mn more people around the world by 2100. It was recommended that carbon pollution would have to be cut by 45% by 2030 and would need to be reduced to zero by 2050, if 1.5°C was to be achieved. Also, carbon prices would have to be three or four times higher than they would be to limit temperatures to a 2°C rise.

In other news

- Renewable energy generation reached a record high in Q2 2018. Energy Trends data released by the government found that renewable energy generated a record 31.7% of the UK's electricity in Q2 2018, up 1.1% on Q2 2017. Released on 27 September, the report also found that coal contributed a record low of 1.6% to the energy mix. Additionally, non-domestic data found that average gas prices in Q2 2018 were 11% higher than in Q2 2017 and electricity prices rose by 9.9% on average.
- The Department for Transport announced cuts to the plug-in car grant. In a statement on 11 October, the government confirmed that those buying Category 1 plug-in hybrid cars, which emit less than 50 grams/km of CO2 and have a zero-emission range of at least 70 miles, will only be eligible for a £3,500 grant going forwards – a 22% reduction. Also, purchases of Category 2 and 3 hybrids, which emit up to 75 grams/km of CO2 but with a lower zero-emission range, will no longer be eligible.

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For more information about our services please call **0330 221 9899** or email **info@assured.energy**