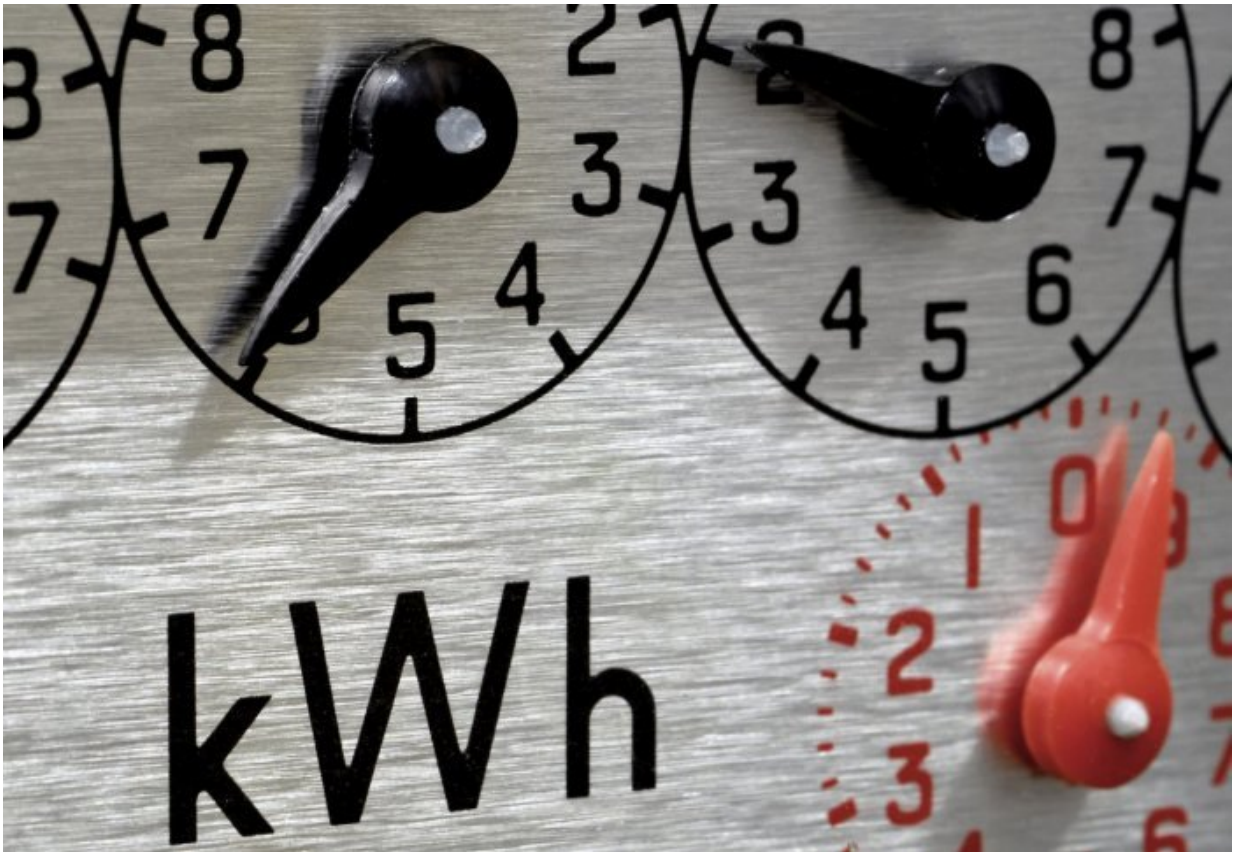


New report calls for energy regulation reshape to benefit consumers

November 1 2017, by Laura Singleton



Credit: Imperial College London

The energy market needs to be better regulated to provide consumers with improved options for managing their electricity, according to a new report.

The report, Reshaping Regulation, which has its Parliamentary launch today, reveals that electricity companies will need to transform to avoid being superseded by new service providers and data companies who will be better placed to serve consumers.

The report also shows that energy companies will need to become more effective at improving and optimising the performance of the electricity grid.

The authors suggest that in the future, consumers may not need specific energy [regulation](#) to protect them as energy will be an almost invisible product bundled in with products such as the 'smarthome' meters, smart speakers such as Alexa and Hive and electric car providers.

However, people will need much stronger consumer protection around their personal data and across these bundled services.

The report is authored by Dr Jeff Hardy from the Grantham Institute and Professor Richard Green from Imperial College Business School, along with Laura Sandys, from the business consultancy Challenging Ideas. The report proposes new regulations and [consumer protection](#) that would create a framework for these changes to take place.

Commenting on the report, Professor Green said: "Start-ups, recent entrants, and established incumbents are devising new approaches to selling energy services in a digitised world. We need regulators to be ready for them and allow innovation. However, they need to be prepared to act quickly to protect consumers where there is a genuine risk of harm."

The report, which is supported by the independent authority Energy Systems Catapult, paints a picture of the long-term destination of the energy system and proposes a new set of regulatory principles focused

around [consumers](#), data, markets and system security.

The four proposed regulatory principles are:

- A one-stop-shop consumer regulator: this should focus on regulation for how people consume energy and not how businesses are organised, which is currently the case, reflecting the blurring and bundling of products and services.
- Optimise all energy assets: there should be regulations for optimising energy systems to deliver the most productive, efficient and affordable grid, which would change the shape of the regulated [market](#).
- Open up markets to more players: there needs to be new rules to promote transparent, cost-reflective and open markets to allow new technologies to compete with existing [energy](#) assets and providers.
- Understand where the risk really lies: the [report](#) recommends regulation for the system where it is at most risk, which would shift from security of supply to cyber and data security.

Dr Hardy added: "Much of the technology and capability to activate the proposals are already in place and are currently being trialled. The future is already here for technology and data, it's time for regulations and markets to catch up."

Provided by Imperial College London

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