



Unprecedented industry alliance unites to drive 'new era' of smart energy



The UK's leading energy organisations will come together today with Energy Ministers past and present in Parliament, to launch a new pan-industry campaign backing a smart energy pathway for the UK that puts consumers at the heart of energy policy and that creates new markets for new technologies and services [1].

The Smart Power Industries Alliance (SPIA) represents an unprecedented coming together of the industries driving forward the decarbonisation of the UK economy, to give households, business and community's greater control over the way that they use and consume their energy. It includes renewable and low-carbon electricity generators, IT providers, network operators, electricity storage providers, flexibility service providers and building technology manufacturers.

SPIA Chair Charles Hendry said:

"The size & breadth of SPIA reflects consensus across the power sector that the future of energy is smart. This is a long-term change programme, so we will be working together to ensure smart power has cross party support and that it remains at the top of the energy agenda."

"We want to explain the huge environmental, social and economic benefits to the public, and to help ensure these benefits are accessible to all in the new era of smart energy. Many people are already generating their own power and engaging with smart applications, but smart power has the potential to transform all our lives for the better, in ways that are creating real excitement today."

Examples of smart power include enabling people to generate and sell their own electricity easily, cutting bills and demand by using energy efficiently and when it's cheapest, supporting the efficient growth of electric vehicles, storing clean electricity, and building new cables between countries so that electricity can flow easily between countries. This represents an extraordinary revolution in the way we generate and manage power.

The development of new smart infrastructure by itself will deliver economic benefits across the UK, with an estimated potential of £13 billion of Gross Value Added, £5 billion of potential exports to 2050 and 8,000 – 9,000 jobs over the 2020s and 2030s associated with creating smart grids. The Government's

recently published Clean Growth Strategy identified the delivery of clean, smart, flexible power as a key growth sector for the economy [2].

Analysis by Imperial College for the National Infrastructure Commission shows that a smart energy system could save businesses and households up to £8billion per annum by 2030, under an ambitious, low-carbon scenario. [3] The enhanced flexibility and efficiency of a smarter system means that less generators and network capacity will be needed and that the whole system can be balanced more effectively. Professor Goran Strbac of Imperial College, a world-leading expert in smart power systems, is advising the Alliance and he will be explaining the critical need for a smart system at the launch today.

The Alliance is already working on a wide range of projects to help deliver a smarter system and it is supporting the Government's plans to upgrade the UK's energy system, including the newly published Smart Systems and Flexibility Plan [4].

To help expedite progress the Alliance is calling on Governments, present and future, to put into action five key principles at the heart of the UK's energy policy and to sustain the smart transition over the coming decade and beyond:

1. **Put consumers at the heart of energy policy;** enable businesses & households to play an active role in the nation's energy system where they choose to, and ensure that all consumers benefit from the smart transition
2. **Facilitate the creation of new markets for smart services;** new markets for smart services must ensure that all participants, including newer innovative, flexible technologies, can compete on fair and equal terms
3. **Take a whole-system approach to smart energy;** create incentives for the heat, transport and power sectors to work together to deliver decarbonisation at best value to consumers
4. **Accelerate the smart power transition;** provide consistent policy & regulatory direction, in line with the Government's carbon objectives, to promote investor confidence
5. **Make smart power central to the Industrial Strategy;** incentivise key sectors to invest in smart technologies, and maximise the benefits for our economy and for UK Plc in global markets.