



## Why should Demand Side Flexibility be top of your new year's energy strategy in 2018?

Here's a sobering statistic for January. The UK's capacity margin (demand and supply) has started to decline. The margin in 2012 was 19%. As at 2017 this stood at 10.3%.

The supply of electricity is becoming increasingly decentralised. Supply is more intermittent due to the rise of renewables. Meanwhile, smart technology has opened up possibilities for the demand-side to play a more active role in helping to balance the grid. It's no longer a case of consumers relying on available capacity from the grid, it's about consumers creating more capacity volume from a number of different sources. So there's a real opportunity for businesses to get rewarded for making capacity available by adopting a responsive approach to their energy management.

### The time is now

2017 saw further changes to the energy market. And 2018 promises to be no less eventful, with changes to:

**Infrastructure** - Ofgem announced last year that National Grid would legally separate their System Operator identity from the transmission operator's existing licence. In 2018, we will see this start to happen with the virtual separation starting from autumn 2018 before the April 2019 go-live date. The aim is to avoid conflict of interest but also drive competition, innovation in the smart and the demand management space giving customers better value.

**Costs** - The wholesale market continues to fluctuate as shown a few weeks ago which saw gas prices hit their highest levels for 4 years. Non energy costs are also of concern to many customers as these prices are likely to rise as Contracts for Difference and Capacity Market schemes continue to grow.

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**Renewables** - Increased reliance on renewables is changing the availability and supply of electricity. 2017 saw the UK achieve its greenest year to date; in April the UK had its first 24-hour period without using any coal power since the Industrial Revolution. This reliance will increase as the Government has now put green growth at the centre of its industrial strategy.

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What do the above have in common? They're changes with far-reaching impact on the way we consume energy and what we pay for it. But these are positive changes for Demand Side Flexibility. Each will open up opportunities for more businesses to become DSF providers and for more innovation in this space. In other words, the time is now for joining DSF schemes. To find out more and get in touch, visit EDF Energy's [Demand Side Flexibility](#) page.

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