

Ofgem Eyes Removal Of Distributed Energy Barriers

British energy regulator Ofgem has launched a consultation on a range of options to remove unnecessary barriers for distributed energy projects. A working group set up by Ofgem and government has been meeting since June this year to identify barriers and develop solutions. The joint consultation with the Department for Business, Enterprise and Regulatory Reform outlines options for modifying the current regulatory arrangements so that they are more suitable for distributed energy, such as Combined Heat and Power projects and small-scale renewable generation. There are already examples of successful distributed energy projects operating throughout the UK. However, the Aberdeen City Council CHP scheme which supplies heat to neighbouring homes, is an example of how domestic schemes can not only reduce carbon emissions but also reduce fuel costs helping to reduce fuel poverty. Reducing barriers to entry for such projects will have wide-ranging benefits for the UK energy market. Distributed energy can help to reduce the overall carbon footprint of the energy system by reducing the losses associated with transmitting electricity over long distances and by reducing the size of the transmission and distribution networks and their environmental impact. “Government has made clear that we want distributed energy to be able to compete alongside the conventional alternatives. Through this consultation we are showing that we mean business. We want to ensure that the regulatory system is fit for purpose; cutting costs and reducing burdens so that new and smaller players can plug into the electricity system and play their part in a lower carbon future,” says British Energy Minister Malcolm Wicks. The options set out in the consultation look at measures that could be implemented in the short term and the long term. It discusses a wide range of options including: making it easier for local schemes to sell small amounts of electricity in the wholesale market by considering if more purchasers are required in the market; putting more pressure on Distribution Network Operators to charge in a way that fairly reflects the costs and benefits of distributed generation; inviting electricity companies to come forward with specific proposals to trial ideas that will benefit distributed generators; and making it easier for small operators to be licensed, by allowing the more complicated and costly licensing obligations of being licensed to be sub-contracted to another larger licensed supplier.

[Source essa news]