



IWEA Response to Demand Side Vision for 2020

The Irish Wind Energy Association (IWEA) welcomes the publication of a Demand Side Vision Paper for 2020. We believe that the empowerment of demand response will greatly increase the efficiency of the energy industry in Ireland and will increase our competitiveness and energy security. We note that the pace of development of technology is increasing and that the ability for Irish and global companies to develop innovative products and services to enable more intelligent demand management continues to grow. Creating conditions in which these companies can develop and deliver solutions that are attractive to consumers will:

- Provide opportunities for customers to reduce their energy costs
- Reduce Carbon emissions
- Increase the efficiency of overall energy system operation and the competitiveness of Ireland as an investment location
- Promote the development of leading edge innovation in the Irish energy industry and stimulate growth in associated companies
- Facilitate the integration of more renewable resources.

We also note that many of the measures that will facilitate greater levels of demand participation also facilitate more effective trade with neighbouring markets. For these reasons we believe that this area should be a priority for the SEM committee. We also believe that this topic should be considered as part of a broader framework for electricity and energy policy over the coming decade.

While the publication of the consultation paper is very welcome we are somewhat disappointed with its lack of ambition. The concept of developing a demand side vision for 2020 is laudable; however, the current paper focuses more on a detailed assessment of components rather than the establishment of a truly visionary industry. In general IWEA believe that the development of the demand side industry

requires the establishment of a suitable environment for the development of innovative solutions rather than the establishment of a myriad of incentives and command and control schemes.

The main barriers to the development of the demand side in Ireland are the absence of a reliable price signal on which to make consumption decisions and the existence of administrative barriers to participation. IWEA would recommend that the following initiatives be introduced:

- 1) Ex-ante energy pricing relatively close to real time should be introduced.
- 2) Interval metering with import export recording capability should be made available to all interested parties.
- 3) Other barriers to participation – such as restrictions on the registration options available to Demand Side Units in SEM should be eliminated to the greatest extent possible.

We believe that if these three actions are taken it will create an environment where customer focused solutions are delivered by enterprising companies. It will stimulate the development of truly innovative solutions. IWEA believes that this framework is more likely to deliver on the potential benefits of an active demand side industry than a solution based on rigid programmes and restrictive rules. We strongly commend the SEM committee for initiating this process and look forward to continuing our support for the development of a vibrant demand response sector in Ireland.