

IndustryVIEW

During Flexitricity's early years, Britain's power system really was in crisis. The 2006 heatwave blacked out parts of London, and that winter's gas crunch hurt industry badly. 2008 and 2009 were marked by failures: in May 2008, Sizewell B and Longannet together took Britain as close to a black start situation as it had been in the previous 35 years. And during the coldest week of the following winter the nation's nukes just scraped half of their nameplate output. Yet electricity wasn't news. Energy managers faced volatile and unpleasant bills, but no one commiserated.

This flipped about five years ago when talk of impending disaster got going just as the real world calmed down. "Blackout Britain" headlines coincided with one of the most stable periods that most industry lags can remember. Power stations are closing, partly because of emissions laws, but also because the market hasn't needed their electricity. This crisis has been all bark, no dog.

So what's gone right? And will it persist? Falling demand is part of the story. It's hard to unpick the destructive effects of the recession from the remarkable success of LED lighting: these two demand-slashing phenomena emerged around the same time. It would take a heroic exaggeration of balancing costs to hide the beneficial effect that renewables have had on the nation's fuel bill: wind and solar now beat gas generation too often to mention. New infrastructure has added resilience, and

transmission upgrades are improving access to renewables. Investment replaces opex with capex, allowing the market to find the cheapest way to keep the lights on day by day.

Never let a good crisis go to waste – least of all one that never quite arrives



Every power system needs reserve capacity, and a renewable-heavy system needs it in both directions. Positive and negative reserve, or headroom and footroom, are often best provided by business energy

users, not by power stations. This is demand response and this is what Flexitricity delivers.

Hospitals, data centres, events venues, logistics, cold chain, horticulture, universities, manufacturing and retail all participate in demand response. Some turn down – or up – electricity consumption at short notice. Others offer their emergency generators as a grid resource. Flexing combined heat and power (CHP) schedules is one of the best sources of balancing energy. As National Grid recently proved, demand response is low-carbon.

Flexitricity kicked off this sector in 2008, and dominated the surge that led, in August 2014, to demand response all but eliminating power stations from National Grid's largest reserve tender. The big generators fought back, but demand response has a tenacity that arises from its diversity. The latest battleground is the government's capacity mechanism, where we've taken a long-term position, tackling power stations head-on. Because Flexitricity took businesses into the heart of electricity balancing, at least one coal power station won't be charging unnecessary rents to customers. (Not Longannet, for the record.)

The best crisis spurs the right actions to solve the problem before it lands. Flexitricity has been doing that since 2008. We've no intention of stopping now.

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