

Energy Industry - UK - August 2018

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"As competition in the energy retail market continues to heat up, suppliers are branching out into other utility services and bundling their multi-utility offering to gain a competitive edge. More suppliers are offering diversified services to broaden appeal to customers. A number of energy suppliers are moving into the emerging 'home services' market.

- Claudia Preedy, B2B Analyst

This report looks at the following areas:

- Government policy changes dampen UK clean energy investment
- Energy suppliers diversify in intensely competitive market
- Electrification of transport creates new opportunities

The need to meet carbon targets remains a fundamental driver of change across the UK energy sector. Under the Climate Change Act, the UK is committed to cut its carbon emissions by 80% below 1990 levels by 2050. The government's 2017 Clean Growth Strategy also sets out plans for an 80% reduction in power sector emissions to 2032, so the pace of change remains fast.

While the cost of low-carbon technologies is falling rapidly, the cost of replacing existing electricity generation capacity with low-carbon power is still substantial. Barclays Research recently found that the UK will need to invest £215 billion in its energy system by 2030 to decarbonise and replace ageing assets. Nearly half will need to be spent on disruptive technologies, such as renewables, battery storage and distributed generation. This illustrates the scale of the investment challenge in delivering a low-carbon electricity system.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The Market – What You Need to Know

Shift from coal-fired electricity generation to gas-fired and renewables

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- Wind accounts for around half of electricity generation from renewable sources
- Onshore wind and solar generation capacity growth slows due to government policy cuts
- Energy supplier switching rates at record high
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Suppliers moving into home services and emerging connect homes market

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Just under half of consumers regularly check price comparison sites for energy tariffs

Most people satisfied with customer service from energy supplier

Most people would like to see energy suppliers provide "greener energy"

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Two-thirds are on a fixed-rate tariff

40% of respondents plan to switch tariff and/or supplier

Just under half of consumers regularly check price comparison sites for energy tariffs

Over a third of respondents have directly contacted suppliers to ask to be moved onto cheaper tariff

Majority of consumers do not have smart meter installed

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Most people would like to see energy suppliers provide "greener energy"

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41% of people find the option to buy energy-saving devices from energy suppliers appealing

Two out of five people find the option to buy bundles of services from energy suppliers appealing

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Abbreviations

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Trade associations & regulatory bodies

Energy Networks Association

Energy Industries Council

Energy UK

Office of Gas and Electricity Markets (Ofgem)

Office of Gas and Electricity Markets - Scotland (Ofgem Scotland)

Office of Gas and Electricity Markets - Wales (Ofgem Wales)

Renewable Energy Association

Solar Trade Association

Trade magazines

Modern Power Systems

Utility Week

Energy Now

Renewable Energy Focus

Resource

Solar UK

Smart Solar

Wind Energy Network

Wind Power Monthly

Trade events

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