

DECC Electricity Demand Reduction Pilot 15 May Factsheet

What is the EDR pilot?

- £20m is being made available to support projects that deliver lasting reductions in electricity demand, e.g. through the installation of a more efficient lighting system or pump.
- This pilot will test whether EDR could participate in GB's capacity market.
- Information already published on the pilot is in the <u>28</u>
 <u>February Factsheet</u> and the <u>Update of 7 April</u>. This
 15 May Factsheet provides new information about the pilot.

Bidding rules

- There will be no limit on maximum bid size or on total subsidy awarded to any one participant (subject to the budget constraints of the funding available).
- Behavioural measures will not be eligible for the auction timetabled here (1).
- A maximum price (not published in advance) will be set for the auction, to ensure value for money.

Payments

- Contracts are for one year.
- Successful bidders will receive 50% of payment on confirmation of installation and a further payment of 50% on delivery of savings (i.e. after 12 months' operation, on receipt of evidence of the savings).
- Under-delivery will lead to payments being reduced.
 - (1) However, organisations that deliver behavioural EDR measures are encouraged to contact edr-project@decc.gsi.gov.uk with a view to discussing how these might contribute to EDR delivery in future.

Timetable

Launch: End June 2014

MVA manual and guidance published

APPLYING: JULY-OCTOBER 2014
Organisations submit applications

BIDDING: DEADLINE JANUARY 2015

Eligible applicants are notified and submit bids for the savings they will make (in £/kW)

AUCTION HELD: JANUARY 2015

Notification of successful bids; Contract issued

INSTALLATION: FEBRUARY - OCTOBER 2015
Organisation installs measures - First payment

SAVINGS DEMONSTRATED: Provide data on 12 months' operation (including winter 2015-16) + 2 months to prepare report

Final report – Second Payment

To register your interest in the pilot and receive more information, or to ask questions, contact us at: edr-project@decc.gsi.gov.uk



Measuring and verifying savings (M&V)

- A manual will be provided to participants on how to measure and report savings from their projects. This will build on the approach set out in international protocols (IPMVP) and include three broad approaches:
 - Deemed: savings are precalculated for a list of technologies;
 - Partial measurement: combination of metering and calculations or estimates of key variables;
 - Full measurement approaches: metering before and after.
- We will be undertaking market testing of the MVA manual and deemed savings calculators and invite organisations that would like to help with this to get in touch by e-mailing edr-project@decc.gsi.gov.uk by 21 May.
- Detailed information on M&V requirements will be published in the next Factsheet.