

Introduction to external review of 'D3' policy landscape and modelling

In 2013, the Department of Energy and Climate Change commissioned an external project to examine how demand side measures are considered in the policy development process across government, including in DECC's whole system energy models, which are regularly used to help guide and evaluate policy proposals.

The demand-side measures considered in the project are referred to collectively as D3: Demand reduction, Demand response, and Distributed energy generation.

This project has led to the production of two independent reports:

"D3: Opportunities for integrating demand side energy policies" – An analysis of the 'D3' policy landscape providing an industry perspective, which outlines the benefits of considering D3 policy measures and highlights potential options for further developing consideration of demand-side measures within DECC; and

"An analysis of D3 in DECC's energy system models" – A review considering how D3 is represented in DECC energy system models, how integrated models are in this respect, what the challenges are to modelling D3, and identifying possible ways that DECC could improve its models or use of models in the analysis of demand side policies.

DECC welcomes these reports, which contribute to consideration of the shape of the future energy policy landscape, and highlight potential opportunities to enhance integrated consideration of supply-side and demand-side policy measures for further exploration.

DECC August 2014