



## Pixie Energy – July update

This letter is the first of a new series of monthly updates, which are intended to support Pixie Energy's sponsors and participants on the progress of the wider project. Expect an update in the first week of each month going forwards.

During June, Pixie progressed with its work on the Ipswich Virtual Energy Community project, moved ahead its thinking on the Norwich Virtual Energy Community, produced two new reports on the Renewable Heat Incentive, continued development of the crowdfunding tool, and undertook several other tasks.

The Ipswich Virtual Energy Community study, which is being funded by Department of Business, Energy and Industrial Strategy (BEIS), is modelling how flexible domestic electricity consumption – including solar PV and domestic storage batteries – could offer benefits to generators, suppliers and consumers around a large town. In June, we completed the final model, and combined the wholesale power, domestic, generation and aggregation models. This allowed us to derive some initial findings, which we reported to BEIS. We are now working on the final report, with the intention of providing this to BEIS and then publishing it to participants and sponsors in September.

This work also provides a solid analytical grounding for the Norwich Virtual Energy Community, which will be a real-world demonstration of some of the concepts established by the Ipswich project. We are progressing towards installation of the first physical assets and developing our thinking ahead of a submission to Ofgem/ Elexon's BSC sandbox, when this is implemented by P362 *Introducing BSC Arrangements to Facilitate an Electricity Market Sandbox*, we believe, imminently.

By the end of July, we are aiming to have:

- finalised scoping the project
- defined participant roles
- established principles of the behind the meter offer
- established clear terms for the licensed supplier and other exempt supplier roles, as well as the Customer Notification Agent, and
- drafted a sandbox application.

The first assets – rooftop solar and batteries – should be installed by October this year, and the sandbox is hoped to run from April 2019 to March 2020. A working meeting for the project will be held in London on 18 July to progress the contractual arrangements for participants and the balancing energy tariff to be offered.

We have now completed our mapping work for the Eastern Power Networks region, stretching throughout East Anglia, and will begin to take this nationwide soon, beginning in



Scotland. We are also looking at how to develop the map using new tools to display more data in a more accessible format, and should have developed commercial terms for accessing the site and its development.

Development of the crowdfunding platform continues to move forwards, with an IT service provider secured. Build of the platform is expected to commence in August, with delivery in Q3 2018.

Discussions around the ECO Switch project have also continued, with local authorities, social housing providers and a platform provider. It is important to establish how the project will support itself from the outset due to the costs entailed in setting up the platform, and we are investigating this, though initial indications are that the avoided search costs of suppliers seeking to deploy ECO measures are much higher than the potential costs of the project.

Pixie's growth over the next year will be supported by a new member of the team, Michael Brown, who joins us as a Year in Industry from the University of East Anglia. Michael will be primarily supporting our mapping work as we extend it nationwide.

We continue to meet regularly with sponsors and participants, but these are now primarily working meetings focused on our various projects. A half-yearly update event will be held on 10 September at Norwich Cathedral. A proposed agenda is attached. This will allow us (among other things) to report fully on the Ipswich project, explain progress of the Norwich sandbox application and present the detailed project scope for the ECO Switch project.

**Nigel Cornwall**

[n.cornwall@cornwall-insight.com](mailto:n.cornwall@cornwall-insight.com)