



## Open Letter to Pixie Project Participants

We are now over a third of the way through 2018. This note provides an update on Pixie's progress over the first few months of the year.

Pixie is currently focusing on several projects. We started the year with some good news, having secured funding from BEIS under the Flexibility Markets Feasibility Study (FMFS) competition for our Local Supply Community project, based on Ipswich. This work looks to model half-hourly flexibility values from low-carbon generation – especially domestic solar – as well as domestic and community storage assets, and changes to individual customer behaviour. We will also propose ways of allocating the value created to various parties.

We have developed and extended our local supply community model and will shortly set the timetable with BEIS. We are looking to report by the end of September.

We also won a contract from the Energy Saving Trust and Local Energy Scotland, to examine the commercials of community and local energy north of the border. This project has given us a chance to look at the existing market for small-scale renewables, and many of the innovation projects currently running across GB. It has also led into considerable thinking on how to continue to bring forward renewable generation in the approaching post-subsidy world, and the market structures necessary to do this.

Related to the BEIS FMFS study, our thinking on the Norwich project has also moved on. Now titled the Norwich Virtual Supply Community, we are looking to develop an on-the-ground practical implementation of a virtual trading hub based on specific assets and will be working with partners Green Star Energy and PowerVault, along with a local solar installer, to move the project forwards over the next few months. We will be seeking Ofgem sandbox support to allow trading of energy over the public network between trialists, supported by a new class of line-loss factors.

We also held a successful workshop on ECO in April, tying in with BEIS' ECO3 consultation. Over a dozen attendees joined us to discuss the existing scheme and how this will change under the ECO3 proposals from October 2018, and we were also able to share details about our new ECO Switch proposal. We have proposed a tri-partite trading platform to BEIS in our consultation response and hope to implement a trial from the beginning of ECO3 to support local authorities, independent suppliers and local solution providers to deliver energy efficiency in a new, more efficient way to the benefit of East Anglian stakeholders.

We are looking to hold a wider stakeholder meeting with regional local authorities, social housing groups, and newly obligated ECO suppliers in early June.



Our mapping work with the GCGP led tri-LEP Local Energy East group is coming to an end, with the publication of their Local Energy Strategy expected shortly. Wider work on the platform continues however, with a new contract to provide similar services to Lincolnshire LEP, and we plan to extend the map further over time, starting with examining parts of Essex. An application for Innovate UK funding to support this work will be submitted next week.

There have also been some personnel changes in the Pixie Energy team. Ben Hardie has left the team to move on, and Stuart Leaver and Chris Friedler have joined the team. They will be expanding our capacity in areas such as electric vehicles and low-carbon heat.

We will continue to meet monthly with sponsors and participants.

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