It's time for government to use relevant research to dictate the policies of the future

by Blog Admin July 20, 2012

The lack of research that informs major policy decisions can be astounding, writes **Juliet Davenport**. Academia has been criticised for not generating research that is relevant to the public but the issue of climate change is the perfect chance for this to change.

My experience, working with a small electricity supplier in the UK energy market, is that it is very important for companies to communicate effectively with academic research. There are three key areas where academic research is important to our business.



- 1. Policy and regulatory change
- 2. Commercial strategy
- 3. Consumer strategy

Policy and regulation

Government policy initiatives regarding renewable energy are often in danger of being skewed towards the 'Big 6' energy companies – the behemoths like British Gas and EDF who dominate 99% of energy supply in the UK. But we believe that policy needs to take account of all stakeholders, regardless of size, and use the impact of research to raise awareness of the need to influence government regulation. For example, Good Energy's research into the potential for the UK to become 100 per cent renewable.

The lack of research that informs major policy decisions can be astounding. For example the draft Energy Bill currently going through parliament includes a complex proposal for guaranteeing energy prices for renewable generators called a Contract for Difference (CFD). But this appears to have been put forward with very little significant research into the commercial reality of how the market operates. It doesn't consider other, smaller players in the market, and other factors such as liquidity and credit. Looking only at its economic basis is much too simplistic and demonstrates the lack of research in the area.

Commercial strategy

The commercial potential for the UK energy market is enormous. At present, the UK imports 57% of the fuel used for generating electricity from abroad, resulting in an opportunity cost in terms of revenue and UK jobs. But research shows that the UK can be more self-sufficient in its renewable energy generation, leading to better energy security and more stable energy bills for consumers. Whilst there may be a need to refine and develop this research further, the government's outright refusal to take it seriously highlights the lack of commitment to renewable energy generation as a whole.

Despite our small size, Good Energy has a strong record of innovation in the energy industry. We're currently looking at how to maximise the value of wind power by managing of domestic demands. "Demand for Wind" is a joint project with Durham University and Senergy Econnect, a specialist in grid connection for renewable energy. It shows how the timing of domestic electricity demand can be influenced by switching equipment on when wind energy is available, and off when it isn't for example powering down the freezer for short periods when the wind drops. Research and trials show that this is feasible using existing technology. It now needs the government, both local and national, to take the theoretical research into practice.

Consumer strategy

Scientific research into climate change is still incredibly important, but scientists can sometimes be poor at

communicating their findings! Up to date research for climate change needs to be continually released, because if people stop hearing about climate change, it will drift out of their consciousness and they will stop doing anything about it.

This research needs to be related to specific consumer needs. Good Energy surveyed a sample of our 35,000 home generators to find out how microgeneration influenced their behaviour. Among the findings, we discovered that over half of people claim to have reduced their energy consumption since installing their generator. Research like this is valuable evidence which should influence practical methods of development in the future.

Local governments also need to become more involved with the results of academic research. Energy policy needs to be fit for local government, so that the stigma surrounding raising taxes – which could be used to support renewable energy generation — is removed. Two examples where this has worked well are local governments being able to sell energy, and the Feed-in tariff which has allowed social housing providers to become involved in generation. However, these are just the start of a long process.

There are two huge opportunities coming up for local government to implement more active energy policies based on sound research: the Green Deal and Renewable Heat Incentive. Researchers and policymakers need to broaden their focus so that energy is not just about the Big Six, but about innovation, forward thinking and new ways of meeting the challenges we face.

Academia has increasingly been criticised for generating policy which is not relevant to the public. Climate change and the energy sector provide perfect opportunities for this to change. The relevance of this research needs to be utilised by local as well as national government in order to dictate policies for the future, policies which draw information together from a variety of sources, not just that which is fed to the government from the 'Big 6' energy companies.

Note: This article gives the views of the author, and not the position of the Impact of Social Sciences blog, nor of the London School of Economics.

This blog is a part of a series of posts by the speakers at the Impact of Social Sciences' conference, 'Evaluating the Impact of Climate Change Research'.

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