



## **PRESS RELEASE**

### **EDF Energy and UK Power Reserve complete first trade of capacity market obligations using Electron's blockchain trading platform**

- EDF Energy and UK Power Reserve successfully executed a two megawatt trade of capacity market obligations using a platform underpinned by blockchain
- Trade paves way for more efficient trading of capacity obligations to support electricity grid security

**London, 13th September 2018**

EDF Energy and UK Power Reserve, part of the Sembcorp Group, have successfully completed the first transfer of a capacity market obligation (CMO) using a trading platform underpinned by blockchain.

The trading platform, built by Electron, can facilitate multiple types of energy flexibility trades. Products offered by the platform are created to fulfill current and future market requirements, and designed in close consultation with Electron's consortium, of which EDF Energy, through its accelerator Blue Lab, is a key contributor.

The platform incorporates the CMO trading rules into the relevant product, allowing for automatic compliance checks. This saves time and increases the speed at which trades can get approved. Furthermore, as the platform is underpinned by blockchain, there is a transparent, auditable trail of trades, which is easy to check.

Through demand side response (DSR) schemes, businesses can be paid to turn up, turn down or shift demand in real time. This includes businesses being paid to be available to reduce their consumption in the event that demand on the grid may surpass generation available, also known as a stress event. Such obligations are awarded via a capacity market auction or companies can trade them.

CMO trades can take up to five days to process using the current system, which is a barrier to participation in the government's incentive scheme, particularly for distributed energy resources like batteries, Electric Vehicles (EVs) and DSR providers. The Electron platform



## **PRESS RELEASE**

demonstrates that participation in the scheme is possible and could provide support for short-term capacity needs, ensuring long term security of supply.

*Chris Regan, Head of Business Development at EDF Energy said, "In order to help reduce electricity demand and ensure security of supply, it is critical that businesses participate in demand side management and capacity market trades are one of the options available to business to make the most from it. This trade shows that the technology works, and it will provide a more efficient solution for our customers, allowing them greater flexibility for managing demand side response and ultimately increasing the value of participating in the schemes with EDF Energy."*

*Paul Massara, CEO of Electron said, "This trade shows there is clear market interest in trading capacity market obligations. It demonstrates the market need for a flexibility trading platform, like the one Electron is building, that provides a level playing field and efficient trading environment, as well as being open to innovation".*

*"Trading capacity obligations shouldn't be slow and complicated, because the rules are very clearly defined" added Jon Ferris, Strategy Director at Electron, "However, the current systems inhibit the emergence of a flexible, liquid market. We believe that smart contracts could be used to pre-validate trades, which would enable trading to happen much faster. Today's trade shows what could be possible."*

*Head of UKPR, Sam Wither said, "We are delighted to be a counterparty in this historic trade and are hopeful of a future in which technologies like blockchain can be used to underpin leaner, smarter matching and enhanced liquidity in secondary and other markets. We are encouraged by the success of this trade and encourage the regulator and system operator to sit up and pay attention to the kind of progress which is taking place in our industry. The possibilities for creating a transparent and well-functioning energy system are endless and the benefits to consumers of a more efficient and liquid market all too apparent."*

*Matthew Friedman, Chief Digital Officer of Sembcorp Group, added: "This trade is a great example of the value blockchain can bring to the energy and utilities industry. Sembcorp has several blockchain initiatives underway that have the potential to improve efficiency, trust and visibility across our supply chain."*

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### **About EDF Energy:**

EDF Energy is the UK's largest producer of low-carbon electricity, meeting around one-fifth of the country's demand and supplying millions of customers and businesses with electricity and gas.

It generates electricity with eight nuclear power stations, more than 30 wind farms, one gas and two coal power stations, as well as with combined heat and power plants.

EDF Energy is leading the UK's nuclear renaissance with the construction of a new nuclear power station at Hinkley Point C. This will provide low carbon electricity to meet 7% of UK demand. The project is already making a positive impact on the local and national economy, British industry, as well as boosting skills and education. EDF Energy also invests in a range of low carbon technologies including renewables and battery storage. It is applying research and development expertise to improve the performance of existing generation and developing the potential of new technologies.

The company provides gas and electricity for more than 5 million customer accounts and is the biggest supplier of electricity by volume in Great Britain and the largest supplier to British businesses. It offers innovative energy systems for commercial customers and digital innovation for customers at home. EDF Energy has also launched its own innovation accelerator, Blue Lab, which focuses on making customers' lives easier.

The Better Plan is EDF Energy's framework for being a sustainable and responsible energy business and is an integral part of EDF's 2030 vision to be the efficient, responsible electricity company, and champion of low-carbon growth. The Better Plan is underpinned by comprehensive environmental and social programmes which have been recognised by a wide range of organisations.

EDF Energy is part of EDF Group, the world's biggest electricity generator. In the UK, the company employs around 13,000 people at locations across England and Scotland.

To find out more about the UK's energy challenges visit our energy future webpages.

### **About Electron:**

Electron is a London-based tech company harnessing blockchain to design new platforms and services for a decarbonising, digitising, decentralising and democratising energy sector. Recognising the potential for these new technologies to transform the shared virtual infrastructure of the grid, Electron is taking a top down, collaborative approach to platform development and working with various key stakeholders in the energy industry.



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For more information, please visit [www.electron.org.uk](http://www.electron.org.uk) | @ElectronDLT

### **About UK Power Reserve:**

UK Power Reserve is the leading provider of flexibility to the UK energy system. Our 1013MW portfolio of low carbon, decentralised assets include 120MW of battery storage, one of the biggest in Europe. With rapid response, low cost assets located close to centres of demand, we are improving competition and delivering value to consumers. An innovative, disruptive voice in energy, UK Power Reserve is advancing its ambitious growth plans in the UK and beyond.

UK Power Reserve is part of the Sembcorp group, a leading utilities, marine and urban development group, present across five continents. As an integrated energy player, Sembcorp provides solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment and Merchant & Retail sectors. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development. Sembcorp Industries has total assets of over S\$22 billion (£12.3 billion) and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.

For more information on UK Power Reserve, please visit [www.ukpowerreserve.com](http://www.ukpowerreserve.com) | @UKPowerReserve

For more information on Sembcorp visit [www.sembcorp.com](http://www.sembcorp.com).