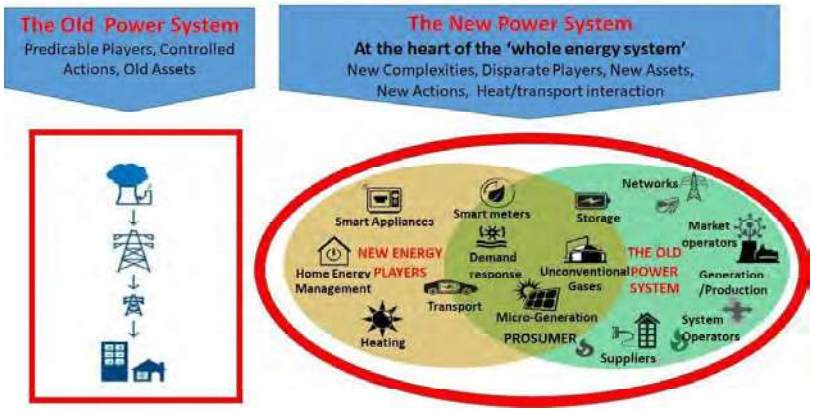
Figure 2: Power system transition

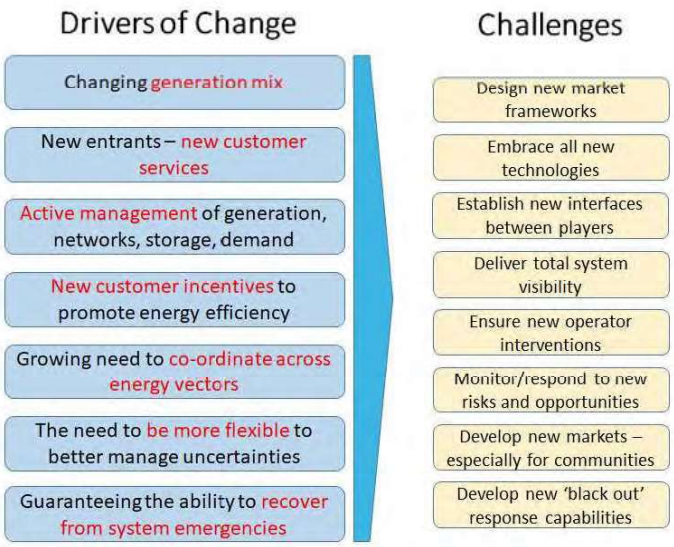


The need for decarbonisation is driving this transition, and some of its key aspects include:

- The rapid growth of decentralised renewable energy sources and the intermittency that comes with them,
- Explosion in new consumer technologies which interface with the energy system,
- Increasing electrification of energy consumption, such as transport and domestic heating,
- Loss of access to cheap stored energy in the form of large coal deposits.

Examples of key drivers and challenges can be seen in Figure 3 below:

Figure 3: Drivers and challenges



The result of this is that there are overarching needs / opportunities to:

Increase the focus on customers

- Ensure that **energy services to customers are easy to access**, providing new functionality that more closely links customers to the services they want while **maintaining the resilience they expect.** Business models are key in this regard,

Redefine the energy system

- We must redefine our concept of the **'whole energy system** to include customers and their service providers, existing and new,
- We must **recognise the breadth of the NEW energy system:** technical, digital, commercial and societal; integrating power, heat and transport.

Enable governance and change

- Siloed governance and change processes will be **unable to deliver effectively** in this new world,
- A **new governance and change model is needed** that can deliver the integrated functionality needed by both customers and energy businesses,
- Approach changes from a whole systems point of view, where policy, markets, engineering solutions are proposed cohesively and coordinated with one another.