

Memorial Lecture for Gill Owen

Distributional Aspects of Energy Pricing
Prof Martin Cave OBE

Held at Ofgem - 17 July 2017
Organised by Sustainability First

Tribute to Gill

Judith Ward. Director. Sustainability First.

As you know – this event was arranged not once – but twice. It is strong testament to the very high regard in which our Sustainability First colleague Gill Owen was held - that 100-plus guests wished to join us - not once, but twice.

Welcome. On behalf of Sustainability First trustees and associates we are very glad to see you all here – and to recall our colleague Gill.

In assembling today's guest list – and looking around the room now – I was greatly struck by a number of major networks in Gill's life. Some of which date back 20, 30 - and some - almost 40 years.

There is what I would term the 'regulatory' network. There are also senior colleagues from energy companies. Also from universities and from parliament. We are delighted that you are here.

And also, there is a network of campaigners in the room – among whom of course David is an absolute notable. Life-long campaigners : on energy efficiency, on fuel poverty, on consumer safeguards and protections, and on low-carbon and on sustainability.

Looking around this room, what is evident is how, through-out her working life, Gill very effectively bridged these somewhat separate realities.

She never lost sight of an over-arching need to improve people's day-to-day experience of the energy and water systems, while all the time mindful of the bigger social and environmental picture.

And of course, all the while - working so very much in partnership with David to press forward on these things. A lifelong and very unique partnership of the personal and the professional.

My own close association with Gill dates from the mid-2000's, when Gill and I started to work together through Sustainability First.

At that point, Gill and the then-trustees of Sustainability First, had already 'trail-blazed' by questioning how and where both social policy and sustainability policy could - and indeed should - sit with the wider frameworks of economic regulation for energy and water. Debates, as we all know, still extremely 'live' today. Sir Ian Byatt, a former water regulator, e-mailed earlier today to say : 'Gill led the way in bringing social policy into regulation'. We agree.

A dozen years back now, Gill and I set out on a journey to look at smart meters. Would they save the planet ? Answer : not in isolation !. At smart pre-pay ; at smart tariffs; at smart demand. Could these developments better serve the consumer experience and / or low-carbon ? Could they fundamentally change the shape of future energy markets ? Answer : Yes. Would we need to take considerable care over customer safeguards, and over vulnerable customers ? A resounding Yes !. Twelve years-on, this thinking is common-place. But certainly not at that time.

Gill's deep knowledge of utility regulation coupled with her extensive practical experience of energy efficiency schemes, her logic on fuel poverty and on sustainability, were a powerful mix. Together, we undertook work for public bodies in the UK, in Ireland, and the EU.

Gill had a strong work ethic. Her analysis – always rigorous. Her papers – focused, accessible. Her comments – incisive. Highly organised, she somehow made her very considerable output look easy. Time too for socialising and a keen interest in the visual arts.

Throughout the time that she worked with Sustainability First, Gill continued with her many other activities. At Warwick Business School, she was closely involved with REEEP – a multi-lateral initiative to build capacity and to share knowledge on renewables and energy efficient systems with the developing world.

Gill sat on consumer challenge panels for Ofgem : for the network price controls, for smart meters, and on the Sustainability Panel. She became an Ofwat non-executive director, with all that entailed. After Warwick, she moved to the UCL Energy Institute. She advised the government on fuel poverty.

Gill's knowledge, insight and advice was clearly valued by many.

At a personal level, I gained much from my association with Gill. Three top of mind are :

1. *It's ok to be an enthusiast.* The detailed cost-structure of a Time of Use tariff, winners & losers, distributional impacts, the death-spiral in Australian network charges. The Russians might not have been too excited by Gill's and my extensive e-mail exchanges between Australia and the UK – but we kept those wires humming !
2. *Gill was very astute commercially.* From Gill I learned that great relationships with potential project partners and sponsors are all very well. But, to get a project off the ground, colleagues also needed to sign on the dotted line. You have been warned !

And last, and most important,

3. *Be fearless in challenging expert thinking.* Dive in. Nothing should be immune from query, nor too complex to understand. Dig-down, persist, clarify, understand, question – and then fire.

So, three things from Gill which continue to stand both myself and my great group of Sustainability First colleagues in very good-stead.

On her return from Australia, Gill continued to work with Sustainability First, until her condition worsened last spring.

Many of the themes on which Gill and I first worked - over a decade ago now - continue to pre-occupy both myself and my Sustainability First colleagues today :

- Our ground-breaking New-Pin project led by my Sustainability First colleague Sharon Darcy. Creating a stronger '*public interest voice*' for energy and water. Getting to grips with the hard

trade-offs - between short-term pressures and long-run goals - in delivery of *long-run public interest outcomes in energy and water*.

- Our major follow-on project to New-Pin - to look at *public interest compacts* for the water and energy companies – to better demonstrate how *in practice* they can deliver on fairness and environmental goals.
- Our terrific new work on *Innovation and Energy Consumers in Vulnerable Circumstances* – led by Zoe Mcleod.
- The continuing focus of myself and Clare Dudeney on *the energy demand-side* – including our ongoing support to the major Power Responsive programme.
- Our series of discussion papers by Jon Bird - on smart tariffs and fairness - and on sticky customers and on what happens once we go ‘smart’.
- And an important upcoming project to be led for us by Maxine Frerk – w CSE & UCL - on the *public interest agenda and smart meter energy data*.

So, as you can see, my Sustainability First colleagues and I – both on energy and water – regard Gill’s legacy as highly salient.

Finally, on this same note of materiality. And before handing over to Martin Cave on his absolutely fitting lecture-topic in Gill’s memory - on the distributional impacts of energy pricing - I would simply make this point. The irony that the topic of her memorial lecture had become so politically ‘hot’ - that the lecture had to be postponed due to election purdah - would not have been lost on Gill. Indeed, this may even have evoked a certain quiet satisfaction – if not enjoyment. Because, not least, Gill certainly ‘got-it’ when it came to the impact of prices in energy and water on consumers’ lives.

So now to hand over to Martin.

Prof Martin Cave OBE

We are extremely fortunate that Prof Martin Cave has so kindly agreed to give this evening’s lecture in memory of Gill. Martin is an internationally renowned economist - who specialises in competition law and the regulation of network industries, especially the communications sector.

He is currently a visiting professor at Imperial College Business School. He also formerly held chairs at Brunel, at Warwick Business School, and at the London School of Economics. Martin is also an inquiry chair at the UK Competition and Markets Authority. He also of course was a panel member on the recent (2014-16) energy market investigation by the CMA.

Martin has written a number of books and papers on regulation. He has advised governments, regulators and firms in a number of countries in Europe and elsewhere.

Martin and Gill crossed paths twice in their careers. At the then Monopolies and Mergers Commission, later the Competition Commission (and now the CMA). And also as colleagues at Warwick Business School - in a department focused utility regulation.