

The race to innovate world energy markets

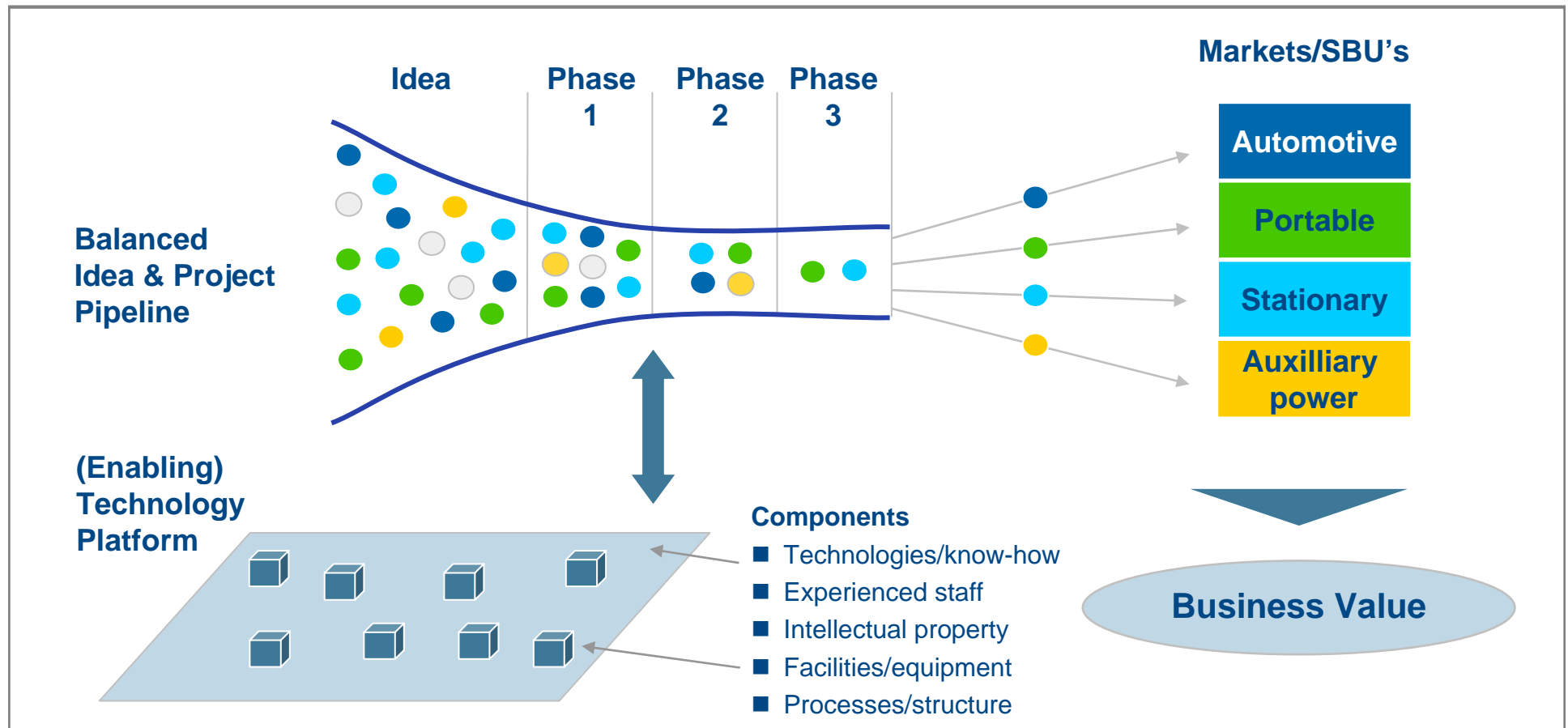
Initial statement

12 October 2007

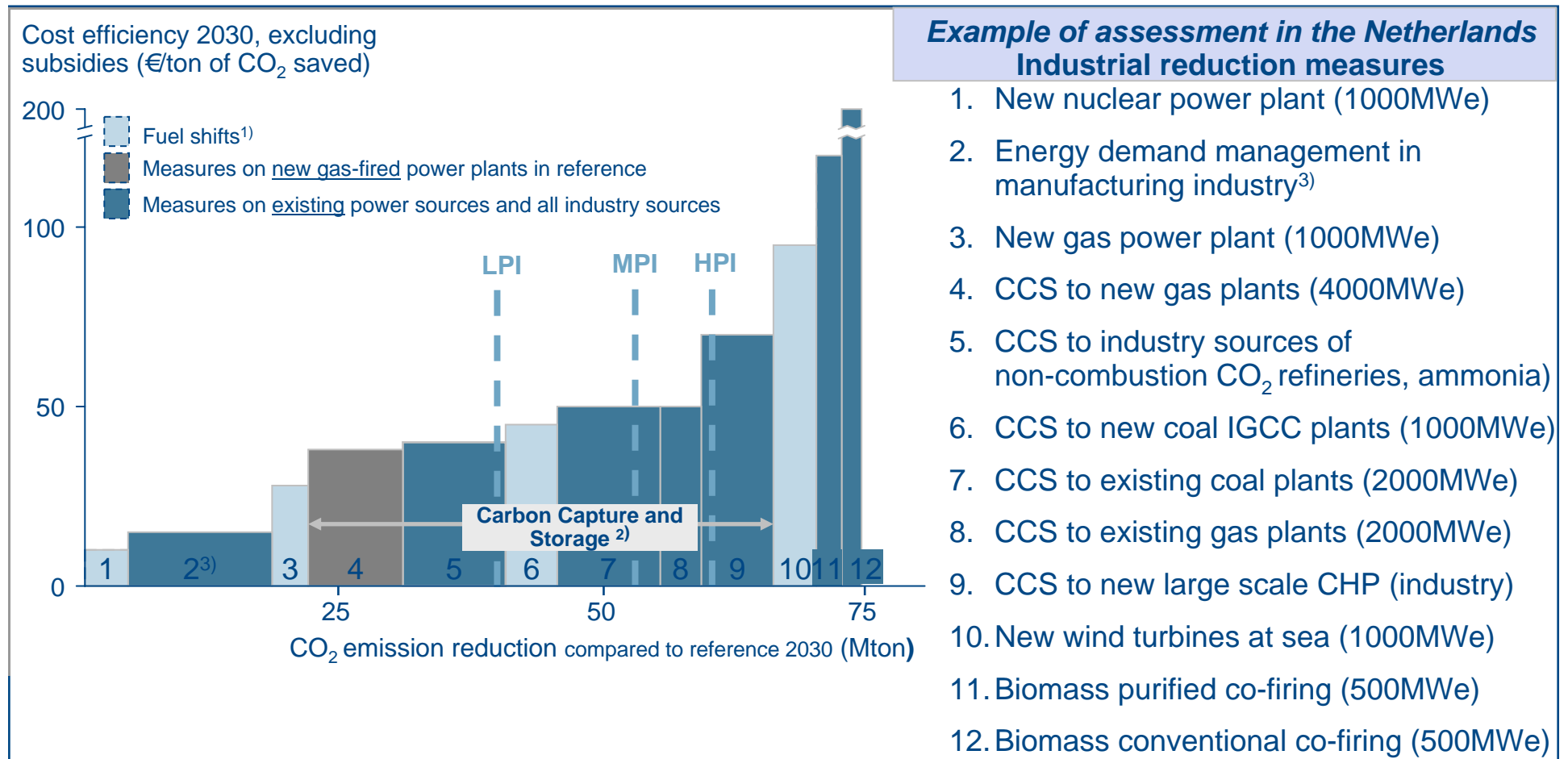
**Statement at German
British Forum**

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Companies effective in using *technology to drive* new energy markets integrate future energy markets with competencies



Policy-driven market innovation requires a projection of key market and regulatory mechanisms



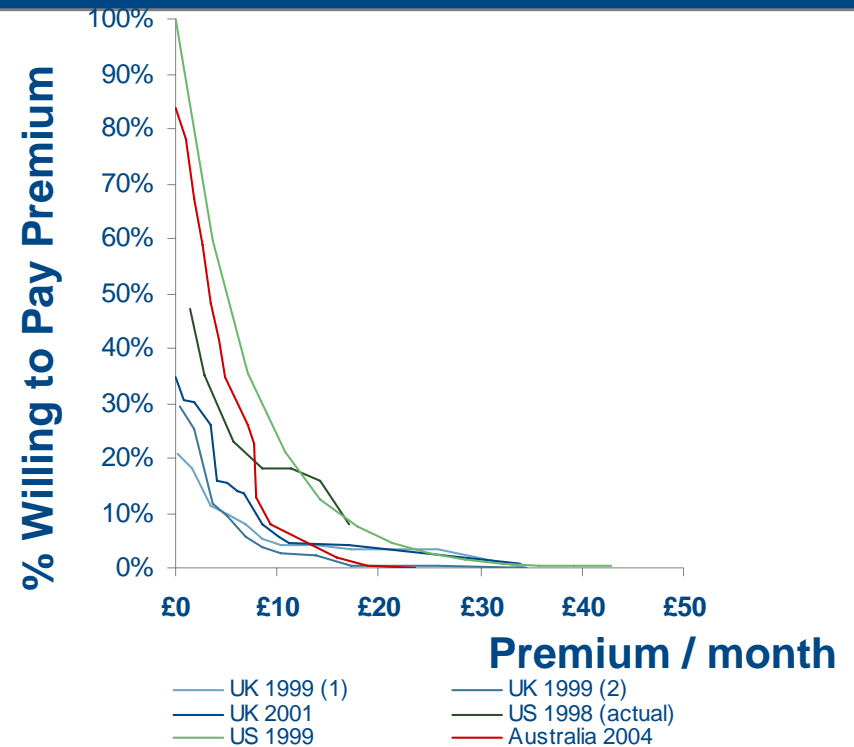
Source: VROM, Arthur D. Little Analysis

Leading companies are able to identify *Consumer-driven* market innovation

Drivers for green tariffs

- **Industrial Sector:** uptake driven by cost, and sometimes image
- **Commercial Sector:** Cost is still key driver but green branding is increasingly important
- **Public Sector:** Public policy stipulates renewable electricity targets
- **Domestic Sector:** Product offerings are diverse

Domestic willingness to pay



*Normalised to 2006 UK Pounds Sterling