EPRG WORKING PAPER NON-TECHNICAL SUMMARY

UNIVERSITY OF CAMBRIDGE
Electricity Policy Research Group

Evaluating Government's Policies on Promoting Smart Metering in Retail Electricity Markets via Agent Based Simulation

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This paper uses a computational simulation model to evaluate the effectiveness of the UK government's 2008-2010 policy on promoting smart metering. We develop the computational simulation model based on well-established psycho-behavioural theory. In the simulation, we also consider possible supplementary strategies for promoting smart metering. With the computational simulation model, we test the effectiveness of four possible strategy options and suggest their policy implications. The context of the paper is a practical application of computational simulation to the retail electricity market in Britain. The contribution of the research are both in the areas of policy making for electricity markets and in the methodological use of computational simulation for studying social complex systems involving human behaviour.

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