

# Seizing Opportunities, Managing Threats: Utility strategies for a low carbon future

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**“We will achieve a carbon-neutral power supply in Europe by 2050.”**  
European electricity sector CEO declaration, March 2009

**“By 2020, cut GHG emissions by 20 percent, a 20 percent share for renewable energy, and improve energy efficiency by 20 percent”**  
EU Climate and Energy Package, December 2008

Utilities that succeed in a low-carbon future will look substantially different from utilities of today—driven by carbon policies and new regulatory frameworks, new technology and changing customer demands. Change will be incremental in some cases, transformational in others, and bring both opportunities and threats.

Utilities are already embarking on differing strategies and activities to prepare and position themselves for the changes, opportunities and threats offered by a low-carbon future.

A new research project by Accenture and Delta Energy and Environment will compare, benchmark and analyse how European utilities are preparing themselves to succeed in this 2020 low-carbon future (see Figure 1). It will assess the strategies that utilities are adopting to maximise the opportunities and navigate the threats that will be created. The research will enable utilities to understand the different strategies adopted and where they stand amongst the European utility sector.

## The Opportunity

Accenture and Delta Energy and Environment bring European utilities an exciting and new opportunity to participate in a Europe-wide study exploring how well utilities are preparing themselves to flourish in a low-carbon future. A detailed survey with 15 to 30 utilities will investigate engagement in low-carbon activities across the utility value chain, from corporate planning and communication, through generation and networks, to retail and marketing.

The research:

- Investigates low-carbon strategies and activities against a 2020 horizon—across the European utilities industry.
- Explores about 100 key indicators of low-carbon preparedness across the utility value chain.
- Analyses key differences in utility preparedness and positions relative to European competitors.
- Benchmarks how individual utilities compare to the rest of the utility industry. (Note: This individual benchmarking is available only to those purchasing the in-depth report.)

## Deliverables and Benefits

Participation in the research offers:

- Free access to a “point-of-view” report detailing the key research findings.
- An optional “in-depth report” and onsite presentation to benchmark and analyse how your utility compares to the rest of the utility industry (available for a fee).

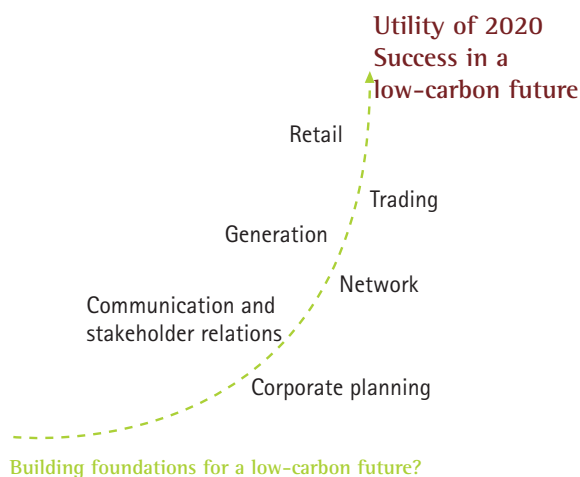
These reports will enable utility participants to review and develop their own low-carbon activities and strategies, increasing the likelihood for them to “win” in a 2020 low-carbon future.

The point-of-view report will answer the following questions:

- What are the major strategy trends?
- Where are there large disparities in engagement?
- How robustly are utilities laying foundations for a low-carbon future?

Figure 1. Analysing utility preparedness for a low-carbon future.

Research into utility strategies and preparedness covers six elements:



Utilities that purchase the in-depth report also will benefit from detailed insight into:

- How your utility is positioned against the rest of the European utility sector.
- Where you may be ahead of the curve and where you may be falling short.
- Analysis of your position tailored to your own circumstances.

## Research Methodology

The year 2020 is the starting point for the research; Figure 2 details the approach. Existing research, supplemented as necessary by Accenture and Delta, is used to create a vision of the components of a successful 2020 low-carbon utility. Indicators are developed from this vision, representing the key activities utilities could be engaging in to prepare for a low-carbon future. These indicators form the basis of a detailed survey document. The research team will work with utilities to guide them through the survey.

Figure 2. Approach to survey development and analysis.

A detailed set of 100 indicators will be developed, enabling the low-carbon strategies and activities of utilities to be compared.

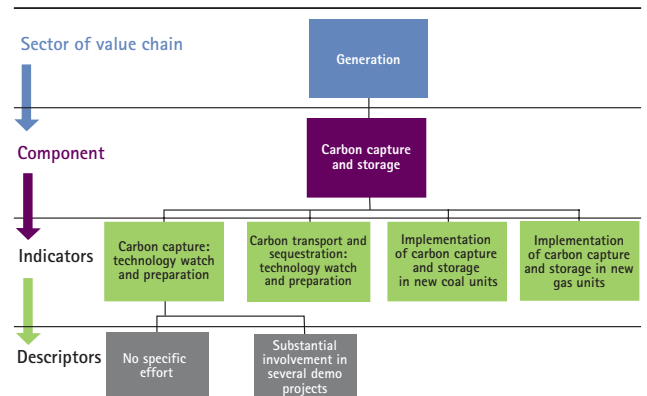
- 1 Development of scenario for "The 2020 landscape"
- 2 Vision of a successful utility in 2020, including key components of their successful low-carbon strategy
- 3 Development of "indicators" against which to benchmark utility performance
- 4 Transformation of indicators into a survey for participating utilities
- 5 Comparative analysis of survey results

Key to this methodology is the creation of indicators (see Figure 3). Each sector of the value chain, such as generation, is broken down into a number of components—carbon capture and storage, large-scale renewable, cogeneration, etc. For each component, key indicators are established (such as carbon capture and storage technology watch and preparation). For each indicator, a set of statements against which utilities can position themselves is developed.

This methodology does not require utilities to share detailed investment plans or sensitive information. Survey data is collated, analysed and made anonymous. Key messages and trends will be extracted from this analysis and presented in the free point-of-view document.

Figure 3. Development of survey indicators.

This example illustrates the development of survey indicators for one component of a low-carbon strategy (carbon capture and storage).



## The Research Team

Accenture's European Utilities team, together with energy consultancy Delta Energy and Environment, have joined forces to pursue this research. This team effort brings together Delta's fresh approach to analysing low-carbon strategies and Accenture's experience and skills in the European utilities industry. The team is guided by two project advisors: Paul Bulteel (former secretary general for EURELECTRIC) and David Sigsworth (former board director of Scottish & Southern Energy).

## Conclusion

Carbon will be a major shaper of utility value in 2020. This research offers a unique view and comparison of low-carbon strategies and activities among European utilities. It will enable participating utilities to assess how well they are laying the foundations that enable them to flourish in a low-carbon future—where they are ahead of the curve and where they still lag behind.

