



MR DALLON KAY, PRESIDENT AND CEO, DIAMOND ENERGY

Diamond Energy specialises in the design, development, and deployment of Demand Response solutions. What sets Diamond Energy apart as a specialist in this area, and why did the company decide to focus its core business on Demand Response?

Mr Dallon Kay is the President & CEO of Diamond Energy Group, the first Wholesale Trader in the National Electricity Market of Singapore ("NEMS"). He is also the founding Chairman of the Singapore Industrial Energy Consumers group which was formed in 2007 with the objective of advancing embedded generation policy for combined heat and power energy efficiency investments in Singapore.

Diamond Energy is a first mover in the evolving Demand Response services sector. The decision to establish the company as a Demand Response specialist was made to better enable electricity consumers to achieve cost savings in the new market environment. In September 2005 the company obtained the first Wholesaler license issued by the EMA authorising the trade of Interruptible Load, a form of Demand Response in the Reserves market. The company supplies Interruptible Load as an alternate form of spinning reserve sourced from electricity consuming facilities. Our proprietary technology is essentially a platform that enables our customers to curtail non-essential electricity loads, or what we refer to as discretionary electricity loads, without disruption to their core business operations.

Our overriding priority is to enable electricity consumers to proactively optimise their electricity consumption decisions and usage patterns. Traditionally, energy policy has been focused on creating efficiency in the supply side of the industry. In the recent past, the trend has changed, and policy measures have been taken to enable more active participation by the demand side. Diamond Energy's Demand Response expertise is poised to boost such demand side participation.

What is Diamond Energy's strategy to get more consumers to participate in and grow the Demand Response program in Singapore?

Our key strategy is to continuously deliver high performance standard and operational reliability. Since establishing our presence in 2006, we have successfully responded to 67 activation events for Interruptible Load. Our performance through the years has established Diamond Energy as Singapore's leading Demand Response company and demonstrated the reliability of our technology.

Our immediate focus now is to expand our portfolio of Demand Response resources. Our unique strategy is that we offer our customers a zero cost proposition to implement our Demand Response technology at their premises. This approach demonstrates our belief in the benefits of Demand Response and our commitment to work with our customers to realise long term mutual benefit and establish lasting partnerships.

What in your opinion is the key to changing the way companies and households consume electricity?

There are many factors that affect consumer behavior. However, none is as effective as a reward system. A desired outcome can only be achieved when the right incentives are presented. This is especially true in the electricity market where many customers are often resistant to change, but where an appropriately tailored reward structure can provide the impetus for change.

Diamond Energy makes monthly payments to consumers who are plugged into our proprietary platform and who make available their discretionary electricity consumption profile for temporary reduction for the Interruptible Load scheme. In return, Diamond Energy is able to convert this discretionary load into a revenue stream. In this way, consumers who participate in our Demand Response program by providing their load for the Interruptible Load scheme are rewarded for their flexibility and ability to modify their consumption profile when incentivised to do so.

For households the first step is for greater choice and options to be provided. When full retail contestability is achieved we are confident that households can also enjoy the benefits of Demand Response. In the meantime, a key success factor will be to improve the awareness of Demand Response amongst all electricity consumers in Singapore.



The Energy Market Authority (EMA) is a statutory board under the Ministry of Trade and Industry. Our main goals are to ensure a reliable and secure energy supply, promote effective competition in the energy market and develop a dynamic energy sector in Singapore. Through our work, EMA seeks to forge a progressive energy landscape for sustained growth. Please visit our website at www.ema.gov.sg for more information.