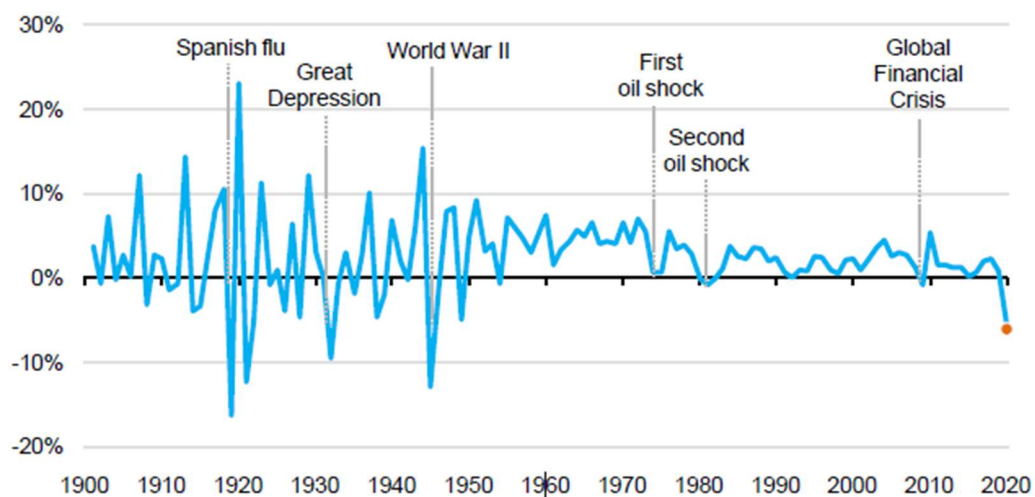


Business Interruption Plans – Lockdown Lessons



Energy Demand drops, prices tumble.....

Rate of change in global primary energy demand, 1900-2020



Changes in global primary energy demand, 1900-2020 Image (IEA. <https://www.iea.org/reports/global-energy-review-2020>)

The current energy trends are reporting the biggest drop in energy demand since the post war year of 1945.

Generally, the trend has seen energy demand tumbling by up to 26% in countries under lockdown as governments wrestle with the challenges of controlling the pandemic. The normal working week demand for electricity

has dropped to the lowest Kwh levels, typically only normally recorded on Sundays.

The reduction in carbon emissions is less dramatic. The International Energy Agency (IEA) reckons at best we can only expect an 8% reduction in carbon emissions this year. This is of course not to be sniffed at as it would represent the greatest annual emissions reduction since World War II.

Falling demand and rising renewable generation

As we see the decline of our reliance on traditional power stations the increase of renewable power through solar could not come at a better time.

Renewable energy has overtaken fossil fuels for the first time in providing Britain's power, generating more than 40% in the first three months of the year.

Storms, during the wettest and windiest February since records began, helped make it the first month ever when more electricity was produced by wind farms than gas-fired power stations, it will soon be cheaper to build windfarms than burn fossil fuels.



Renewables generated more than 40 percent of Britain's power in the first three months of the year, demand for electricity in the week fell to its lowest levels since 1982 - down by 13% following the start of the coronavirus lockdown at the end of March.

What's changed, what have we learnt and what's different?

One of the biggest consequences over this period has been the change to our behaviour, in the way we work, live together and socialise in the home and community, forcing all of us to re-think our lifestyles and how we go about our day to day activities.

Our loss of independence reminds me of the words from "Big Yellow Taxi" sung by Joni Mitchell, "*you don't know what you've got till it's gone*" as many of us have experienced with the shortage of toilet paper, rice, pasta and other basics we simply take for granted.

But seriously, loss of independence and mobility have impacted us all and this has filtered down to every business. It is those businesses that have acted quickly to flex their business model to the changing circumstances that will survive this world crisis.

Transport & Travel

We fell in love with cycling (Bike sales up 60%, 1.3m bikes bought during lockdown in UK) and we got people moving, indirectly finding a contributing factor to tackling the national health and fitness concerns.



It also became apparent that our towns and cities need to invest in cycleways (another business opportunity from Covid) and maybe learn from the Dutch and review our highway code rules for cycling.

Less car travel will translate into more space being reclaimed for cycling, walking and public transport. It could mean we change from a 1 or 2 car family ownership to a car share scheme whereby we own no cars and book online a car only when we need it and only for the time we need from a central pool.

Productivity

We have found by cutting out travel time to commute, 1-2+ hours per day by train, car or otherwise we are more productive and for some of us we have in the process gained a more balanced lifestyle with healthier working patterns, this has to be a good thing for employees and employers.

We've learnt we don't all need to be in an office all of the time to do our jobs and in fact by not being in the office we are able to deliver more.

Coronavirus and the lessons learnt

The pandemic has brought about changes that nobody could have imagined 6 months ago. The UK government is spending £14bn a month on furlough schemes to support business and individuals to get through this period.

The Department for Business Energy & Industrial Strategy (BEIS) found on a recent survey that over three quarters (76%) of people said they were either very concerned (35%) or fairly concerned (41%) about climate change.

In conclusion it is considered of paramount importance to the UK to continue to focus and accelerate the targets for The Net Zero objectives and bring all greenhouse gas emissions to net zero by 2050.

90% of respondents in the BEIS survey did not want to return to pre Covid carbon emission levels and saw this as an opportunity and the right time to fully adopt the new ways of working, lower carbon emission levels in the process and embrace the rebalanced work/home/social lifestyle.