

Supplier Strategies and Responses to Institutional Drivers for an Emerging Energy Technology

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This paper first summarizes the institutional drivers resulting in the widely divergent diffusion of distributed generation based on natural gas engines in the Netherlands and the UK. The focus of the paper is on how competitive and expert supply firms responded to very different regulatory developments.

In both cases, supply firms were innovative in technological and financing developments, as well as positioning themselves for diversification, R&D and expected market growth.

However, under regulatory support, supply firms were able to implement innovative operational and ownership arrangements, and thus move beyond on-site energy applications and to take advantages of economies of geographical scale. Under regulatory restrictions, supply firms fought to survive, with resultant implications for the reputation and prospects for this new energy technology.

The paper concludes by discussing the impacts of supplier strategies including long term market penetration, the establishment of a viable energy technology industry and spillovers from successful regulatory experiments.

Abstract for the International Energy Workshop
jointly organized by the
Energy Modeling Forum (EMF), International Energy Agency (IEA) and IIASA.
24-26 June 2003 at IIASA Conference Center, Laxenburg, Austria