

Alison Farr  
Social & Environmental Branch  
NIAUR  
Queens House  
14 Queen Street  
Belfast  
BT1 6ER

20 March 2009

Dear Alison,

**THE UTILITY REGULATOR'S SOCIAL ACTION PLAN 2009-2014**

Thank you for giving the Energy Saving Trust the opportunity to respond to the above consultation. Please find enclosed a detailed response.

As you can see from our response the Energy Saving Trust is working on a number of new programmes and initiatives in both Northern Ireland (NI) and the rest of the UK (for example the payment awareness programme which we are undertaking on behalf of DSD, the Energy Assistance Package (EAP) in Scotland, and our forthcoming work to trial the provision of water efficiency advice in London, Edinburgh and Cardiff) which are likely to be of interest to the Regulator's work in developing and implementing the Social Action Plan. We would be very happy to meet with the Regulator to provide further information about this work and to discuss our response in further detail if this would be useful.

In the meantime if you require any further information or have any questions about our response please do not hesitate to contact me on 028 9072 6007.

Meanwhile I trust that you find our response helpful.

Yours sincerely

Noel Williams  
**Head of Energy Saving Trust**  
**Northern Ireland**

**The Utility Regulator's Social Action Plan 2009-2014  
Submission from the Energy Saving Trust  
March 2009**

This is the response of the Energy Saving Trust to the Utility Regulator's consultation on its Social Action Plan issued in Jan 08. We welcome the opportunity to respond. This response should not be taken as representing the views of individual Energy Saving Trust members.

The Energy Saving Trust was established as part of the Government's action plan in response to the 1992 Earth Summit in Rio de Janeiro, which addressed worldwide concerns on sustainable development issues. We are the UK's (and NI's) leading organisation working through partnerships towards the sustainable and efficient use of energy by households, communities and the road transport sector.

The Energy Saving Trust has offices in each of the countries in the UK, and has had a dedicated office in NI since 1996. We operate a number of programmes (modified for local conditions) in NI, which play a key role in delivering the UK and NI's climate change objectives. This includes the NI Energy Saving Trust advice centre (ESTac), which provides a 'One-Stop-Shop' to provide advice and support on energy efficiency (EE), renewables and road transport for householders in NI. In addition, the Energy Saving Trust plays a key role in the operation of the EE Levy (EEL) scheme, having developed the Framework for its operation. We manage the evaluation and administration of the programme on behalf of NIAUR.

Moreover, as you may already know the Energy Saving Trust's remit has recently been expanded in recognition of the importance of carbon associated with water supply and use. The Energy Saving Trust has secured EU Life+ funding to work with Waterwise to trial the incorporation of water efficiency advice in London, Edinburgh and Cardiff from Sep 09. We believe we are uniquely placed to make the water - energy link more explicit for consumers and encourage even those who don't benefit financially from saving water, to be efficient by promoting the associated energy savings. We look forward to sharing the results of the pilot with the Regulator over the next year.

Our response focuses on the key areas of the Energy Saving Trust's activities and related issues and as such focuses on questions 2, 4, 8, 9 and 10.

## **Question 2**

**Respondents are asked their views as to whether we have considered all the characteristics that may contribute to or intensify vulnerability.**

While the consultation includes, within its definition of a vulnerable utility customer, a number of characteristics (e.g. age of residents and rurality of the household) the impact of which may increase vulnerability because they are '*likely to have a greater demand for heat...*', it does not explicitly consider the energy efficiency of the home as an '*intensifier*' - i.e. something that may increase vulnerability of combined with a range of other characteristics.

Poor energy efficiency of the home is one of the three main contributing factors to fuel poverty (along with income and fuel prices) and as such we believe it is important to include '*poor energy efficiency*' as one of the '*intensifiers*' that will contribute to a customers' vulnerability.

#### Question 4

**Respondents are asked to comment on whether they believe all customers have sufficient access to different payment methods offered by the utility suppliers. Respondents should list the barriers they perceive as preventing some vulnerable customers from accessing all payment methods.**

The Energy Saving Trust in NI is currently delivering, on behalf of DSD, a payment awareness programme which aims to raise consumers' awareness of the payment options for their main energy bill. The programme was launched in Autumn 08 with TV and radio ads, together with information sent via post and e-mail encourage householders to contact the ESTac (0800 512 012), where they are advised on payment options for their main energy bill covering all fuels and energy suppliers in NI. Customers calling for payment advice are also provided with energy efficiency advice, referred to existing grants (for both the fuel poor and 'able to pay'), and signposted where appropriate to other relevant help lines or organisations (e.g. Consumer Council, Citizens Advice Bureau, etc). The ESTac advice line number has also been provided to householders who will receive the winter fuel payment top-up.

#### Question 8

**Respondents are asked to comment on what measures should be undertaken to raise awareness, and which organisation(s) should take the lead on these measures.**

We agree with the Regulator's conclusions based on recent research that '*clearly there is scope to improve the promotion of services and schemes to help vulnerable customers*'.

In this context the Regulator might be interested in the activities proposed under the Scottish Government's new EAP<sup>1</sup> which will replace existing fuel poverty programmes (Warm Deal and the Central Heating Programme) in Scotland from Apr 09. The EAP will be delivered with funding from the Scottish Government by the Energy Saving Trust's Scottish ESTac's. The EAP will help increase incomes, reduce fuel bills and improve the energy efficiency of homes, offering an integrated package of:

- Energy, benefits, tax credit and tariff checks for a wide range of people.
- Standard insulation measures for those most vulnerable to fuel poverty.
- Enhanced energy efficiency measures - including central heating, renewable energy systems and insulation for hard to treat homes - for low income households including families living in homes with the lowest energy efficiency.

The EAP is a four-stage package, as recommended by the Scottish Fuel Poverty Forum. Stage 1 provides an initial energy audit to anyone who phones an ESTac and identifies those at risk of fuel poverty who continue to stage 2. Stage 2 provides help with improving incomes and reducing energy bills. Stage 3 provides a package of standard insulation measures (cavity and loft insulation), as part of the energy companies' obligation under the Carbon Emission Reduction Target (we appreciate that CERT does not apply in NI). And stage 4 provides more enhanced sustainable energy measures (such as heating systems including renewable systems, and insulation measures for hard to insulate homes for those who are fuel poor).

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<sup>1</sup> <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP/eap>

The Package builds on the existing advice network and will be delivered in partnership with existing advice providers, energy companies and the Scottish Government. It is envisaged that the promotional activity surrounding the EAP will be designed to be very flexible and will respond to levels of demand at any given point in time.

In addition, the Energy Saving Trust is currently exploring with the Department for Energy and Climate Change (which funds our ESTac's in England, Wales and NI) options for developing our advice service so that it better supports vulnerable customers. Our focus will remain on carbon savings. However, we shall be strengthening and standardising our approach to ensure our advisers offer basic information to customers concerned about paying their energy bills. This will include how customers may be able to save money through changing energy tariffs and switching suppliers (we appreciate that 'switching' is not yet as simple in NI), and where they may be able to receive further support and advice. It will also cover where they may be able to access benefit entitlement checks and the availability of income support programmes such as winter fuel payments. We would be happy to meet with the Regulator to discuss this work in more detail.

## **Question 9**

**Respondents are asked to comment on whether there are any other key issues that should be considered.**

There are a number of key issues that we think should have been considered within this consultation document, these are:

- **The role that microgeneration can play in the alleviation of fuel poverty.**

The consultation notes that *'microgeneration may still be a worthwhile endeavour on the grounds of security of supply and reducing carbon emissions, but unless a means can be found to encourage and support vulnerable groups using the technology it is probably not an effective means of helping vulnerable customers'*

Although not specific to the NI situation we note that a significant body of evidence already exists which would support the role that microgeneration has to play in reducing fuel poverty and helping vulnerable customers. The Scottish Renewables Heating Pilot was a two year pilot study, managed by the Energy Saving Trust, which explored the viability of including renewable technologies in future Scottish fuel poverty programmes. It ran from Apr 06 until Jun 08 and involved 87 households who received a new renewables-based central heating system. These were mainly heat pumps (either air source or ground source), with a small number of biomass boilers/stoves and solar thermal systems also installed.

The results suggest that renewable microgeneration technologies have an important role to play in alleviating fuel poverty in properties off the gas grid. In particular, the analysis of the pilots' results found that Air Source Heat Pumps (ASHP) *"provide the greatest overall value for money in terms of households lifted from fuel poverty per £1 million capital spend based on Jun 08 energy prices, ASHP would lift 43 households from fuel poverty for that level of spend. For the same spend electric storage could lift 37 households out of fuel poverty, GSHP would lift 29 households out of fuel poverty (because of its high installation/unit costs) or oil could lift 19 households. If carbon values are included in these calculations ASHP would lift a still higher number (55) from fuel poverty."* The full evaluation report for the Scottish Renewables Heating Pilot can be found at:

Not only do such technologies offer lower running costs to households, and significant protection against future electricity, oil and solid fuel price rises they also offer clear emission savings advantages over other potential solutions such as electric storage heating, helping to complement NI's climate change objectives.

The Energy Saving Trust therefore believes that the Social Action Plan must recognise the role that microgeneration could play in alleviating fuel poverty and give consideration to the Regulator's role in encouraging this.

- **Improving the information provided on bills.**

Currently it is difficult to compare and understand consumption patterns, which makes it difficult for consumers to link the impact of their behaviour to energy usage and to understand how energy efficiency measures might benefit them. We note that the Regulator's forward work programme for 2008-09 included proposals to "*Ensure customers are given accurate and easily understood information regarding the environmental impact of the energy they consume*" and within this to "*Establish effective system for fuel mix disclosure*". As we noted in our response to this earlier consultation "*We believe that it is important to make a clear link between energy consumption and the emissions responsible for climate change, in order to provide a sense of personal urgency to change behaviour. However, we believe the provision of information on bills needs to go beyond simply outlining the fuel mix and should include the provision of comparative consumption data graphically on energy bills. Moreover, information on the environmental impact of their energy use will only be of significant benefit to the consumer when this information is based on actual (as opposed to estimated) meter reads provided at regular intervals. Improved metering provides an obvious and effective solution to the problem of estimated bills and lack of accurate feedback to consumers on their energy efficiency improvements. We also believe it would be appropriate that our contact details (as the independent consumer organisation for sustainable and energy efficiency advice) should appear on energy bills to provide a direct point of contact for consumers on energy efficiency.*"

We therefore believe that the Social Action Plan must recognise that more needs to be done to improve information provided on bills and include specific actions that the Regulator will undertake to ensure that customers are given accurate and easily understood information regarding the environmental impact of the energy they consume (together with information about the money they could save on their bill by installing energy efficiency measures, or by making no-cost changes to their everyday behaviours).

## **Question 10**

### **Respondents are asked to comment on this future work plan.**

As noted above we believe that the Social Action Plan should also recognise a) the role that microgeneration could play in alleviating fuel poverty and give greater consideration to the Regulator's role in encouraging this, and b) that more needs to be done to improve information provided on bills and include specific actions that the Regulator will undertake to ensure that customers are given accurate and easily understood information regarding the environmental impact of the energy they consume (together with information about the money they could save on their bill by installing energy efficiency measures, or by making no-cost changes to their everyday behaviours).