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10 MILLION HOUSEHOLDS RECEIVE HELP TO BE MORE ENERGY EFFICIENT

- **Energy Efficiency Commitment 2002-2005 resulted in:**
 - total customer savings of around £350 million per year, £175 million of which were made in low income households
 - a 1 per cent reduction in total domestic carbon emissions
- **Energy efficiency can help reduce fuel poverty at a time of rising fuel prices.**

Around 10 million British households, six million of which are on low incomes, have benefited from energy saving measures over the last three years, according to a report published today (Tuesday) by energy regulator Ofgem.

To help tackle fuel poverty and reduce carbon emissions, suppliers have provided measures such as cavity wall insulation, energy-efficient boilers and energy saving light bulbs as part of the Energy Efficiency Commitment.

The report reviews the first three years of the Energy Efficiency Commitment (2002-2005) established by the Department for Environment, Food and Rural Affairs (Defra). Ofgem administers the scheme on behalf of Defra and an energy savings target is set for all suppliers to help curb greenhouse gas emissions and combat fuel poverty.

Ofgem Chief Executive, Alistair Buchanan, said: "Improving household energy efficiency is the most sustainable way of tackling fuel poverty especially during a time when fuel bills for all customers are rising. Low income customers have benefited to the tune of around £175 million per year* as energy suppliers have worked with social housing providers and charities to target help at low income households.

"The amount of energy savings on offer to customers through the Energy Efficiency Commitment has increased for the next three years. So we would urge all customers to be 'Energy Smart' especially those struggling to pay their bills. They should contact their energy supplier about the help and advice on offer to make their homes more energy efficient and cut their power bills."

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*** The total gross saving for all consumers is around £350 million per annum over the life time of the measures which are fitted in their homes. This equates to an average saving of £35 per household, per year for each home which benefited. It is important to note that not all gas and electricity customers have benefited from EEC, some will have received measures whereas others will have not.**

1. Ofgem administers the Energy Efficiency Commitment (EEC) on behalf of the Department for Environment, Food and Rural Affairs (Defra). Under the programme electricity and gas suppliers are required to achieve targets for the promotion of improvements in domestic energy efficiency. The EEC

contributes to the Climate Change Programme by curbing greenhouse gas emissions. In providing particular help to low-income consumers, it is expected that the EEC will also contribute to the alleviation of fuel poverty. The first phase of the EEC programme ran from March 2002 to April 2005, when suppliers were set a target of saving 62 TWh (terawatt hours). The second phase runs from April 2005 to March 2008 and the overall target has been set at 130 TWh.

The overall target for the first phase of EEC was 62 terawatt hours. Suppliers exceeded this by eventually saving 86.8 TWh. Their excess gains will be carried over into the second phase (2005-2008) which sets them the challenge of saving 130 TWh of energy.

2. The main findings of the report on phase one of the EEC show that:

- over one million households benefited from insulation measures such as cavity wall insulation and loft insulation
- more than 300,000 energy-efficient boilers were installed
- customers bought 6.5 million subsidised, energy-efficient household appliances, and
- almost 40 million energy-efficient light bulbs were supplied to customers.

3. Energy smart is a joint Ofgem and energywatch campaign to encourage customers to:

- shop around for the best gas and electricity deals
- take advantage of energy efficiency measures to cut fuel bills
- look at changing payment methods, and
- increase the number of vulnerable customers who benefit from the free services available through the Priority Service Register.

4. Fuel poverty affects 2 million households in the UK and is defined as when a household spends more than 10 per cent of its income on energy costs. The Government has pledged to end fuel poverty for the vulnerable by 2010 and eradicate the problem altogether by 2016. Ofgem's Social Action Strategy aims to tackle fuel poverty by focusing on several work areas which include providing information to customers on ways to save money on bills and encouraging them to switch gas and electricity supplier for a cheaper deal.

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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