

**R/43**

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## **£9.75 MILLION TRIAL TO IMPROVE ENERGY INFORMATION FOR CUSTOMERS**

Energy regulator Ofgem, today (Tuesday) invited firms to take part in trials to gather further evidence on how domestic customers change their energy consumption when they have better information on how much energy they use.

Improved information for customers, with smarter metering potentially playing a key part, could make a significant contribution to reducing greenhouse gas emissions and tackling fuel poverty. The trials will help establish how large that contribution might be.

Selected trials will be co-funded by the Department of Trade and Industry (DTI) and the Department for Environment, Food and Rural Affairs, (DEFRA). These trials will be managed and coordinated by Ofgem, as a single pilot. It will seek to provide more information on how devices, such as smart meters or separate display units, can help customers cut down on their energy consumption.

Ofgem's work on the benefits of smart meters earlier this year showed that there was very little reliable information about how customers' energy consumption changes when they get better information about their energy use, particularly in Great Britain. This pilot will seek to provide accurate data which can then be used by the Government, Ofgem and the industry.

Ofgem's role will include evaluating bids for trials, recommending the range of trials, evaluating the interim results, and compiling a final report after at least two years of data has been recorded. A workshop will be hosted by Ofgem on 6 September and the closing date for applications for the trial is 29 September 2006.

-Ends-

### **Notes to editors**

#### **1. Background**

In this year's Budget, the Government allocated £5 million to the DTI to help finance a pilot study in Great Britain on the use of smart energy meters and feedback devices, including those which can be attached to existing energy meters. Subsequently, DEFRA agreed to provide further funding of £4.75 million. The combined fund of £9.75 million will be used to part finance an energy demand reduction pilot. Ofgem has agreed to manage this pilot on behalf of DTI.

## 2. Objectives

The objectives of the pilot are to: -

- undertake a series of trials of various approaches to reducing energy demand, including, in particular, through feedback mechanisms which provide increased information on energy consumption in order to influence the behaviour of domestic energy consumers
- evaluate the different approaches so as to identify those methods which encourage domestic energy consumers to become more energy efficient and reduce, on an enduring basis, their energy consumption.

3. For more information an open letter "Energy demand reduction pilot – invitation to bid" is available from the Ofgem website [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

4. 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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