

A blue-tinted background image showing various electrical components, including a power outlet, a plug, and a meter, with a soft glow effect.

Ofgem's Energy Efficiency Summit

A review of the Energy Efficiency Commitment 2002 - 2005
2 August 2005

A background image showing a close-up of electrical components, including a white plastic outlet and a metal terminal block with wires, all in a blue-tinted, slightly blurred view.

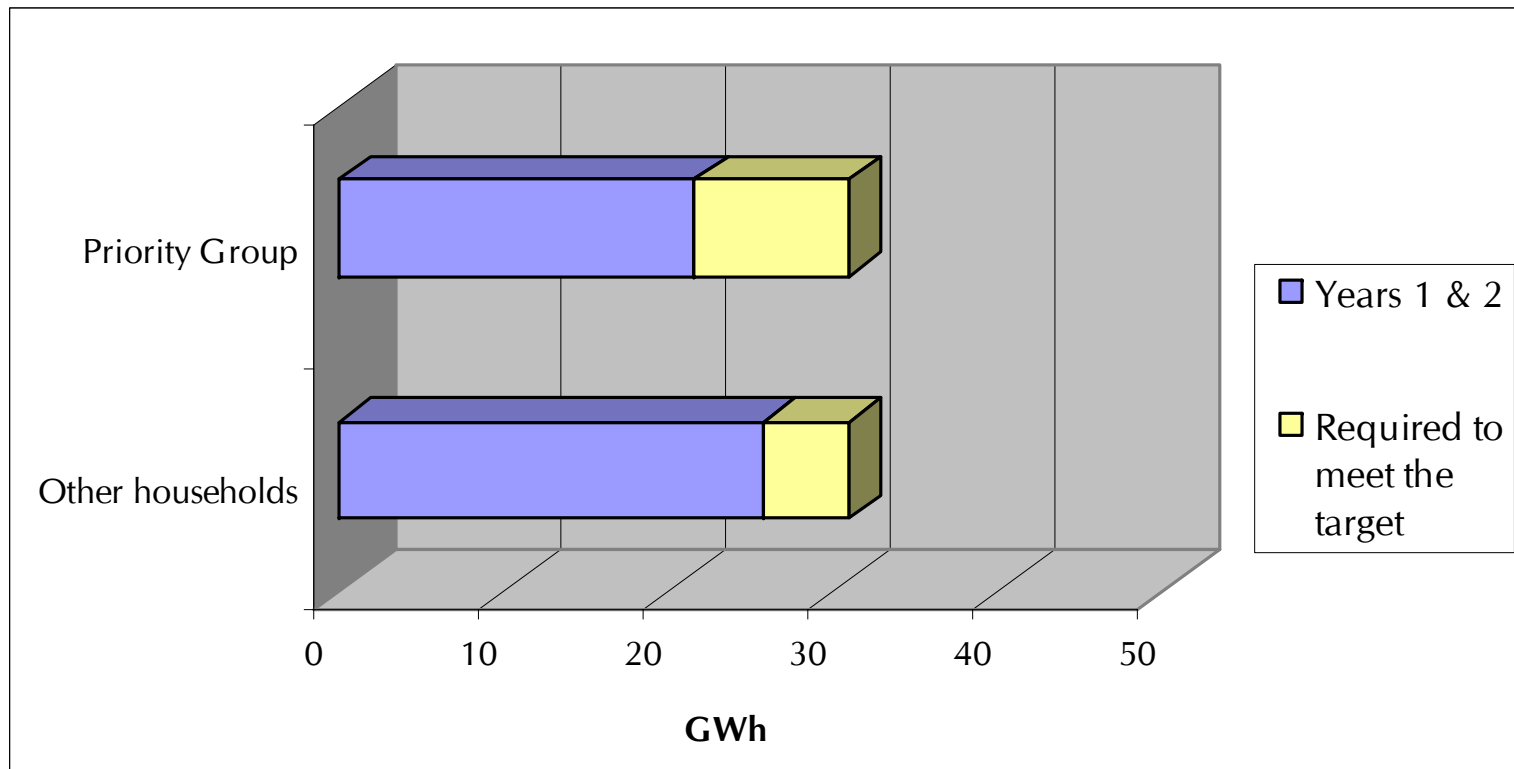
A review of the Energy Efficiency Commitment

Kate Smith, Ofgem
2 August 2005

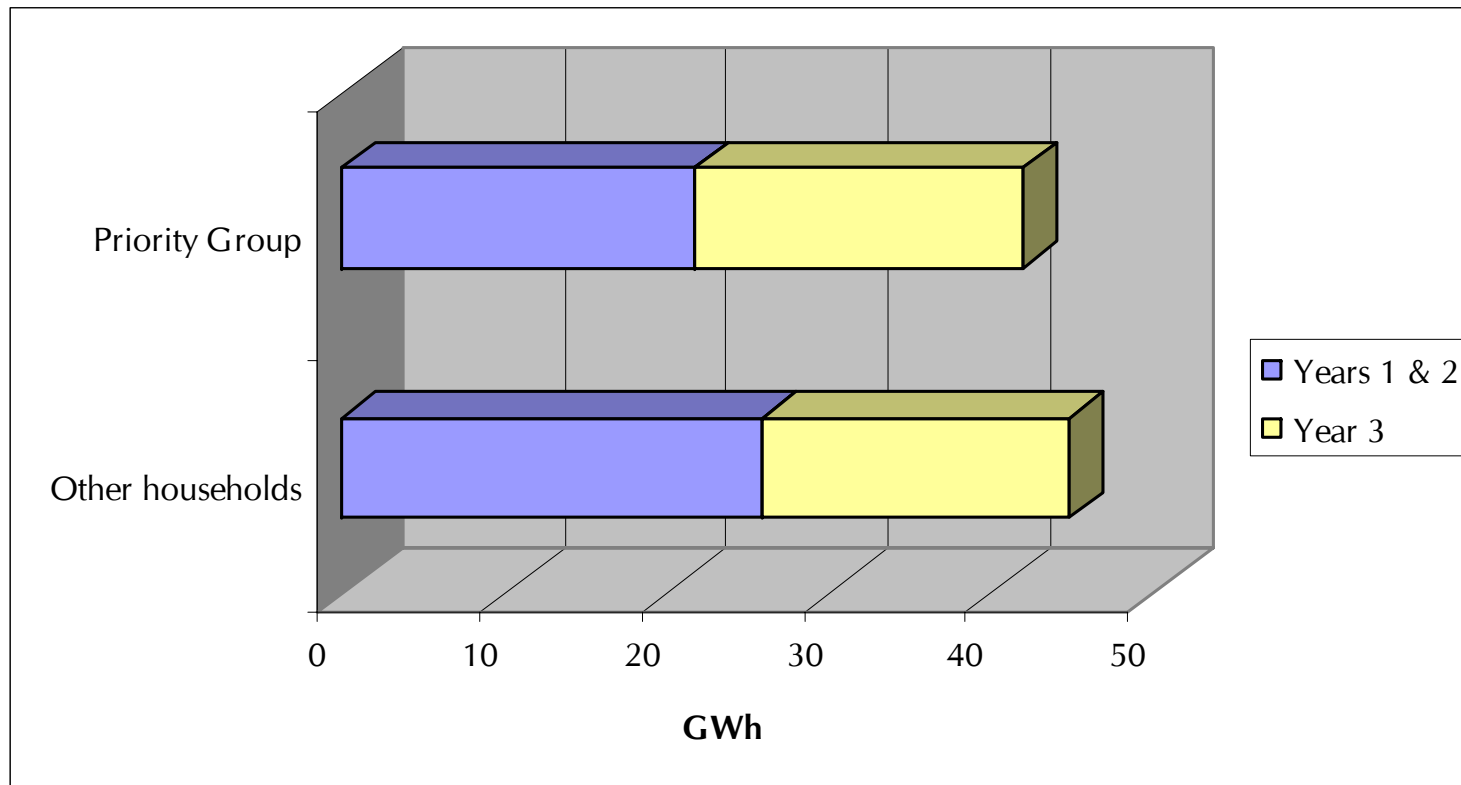
Ofgem's role

- Set supplier targets
- Assess proposed schemes
- Monitor activity
- Approve completed schemes
- Report to the Secretary of State
- Enforce compliance where necessary

This time last year



The outcome



Compliance

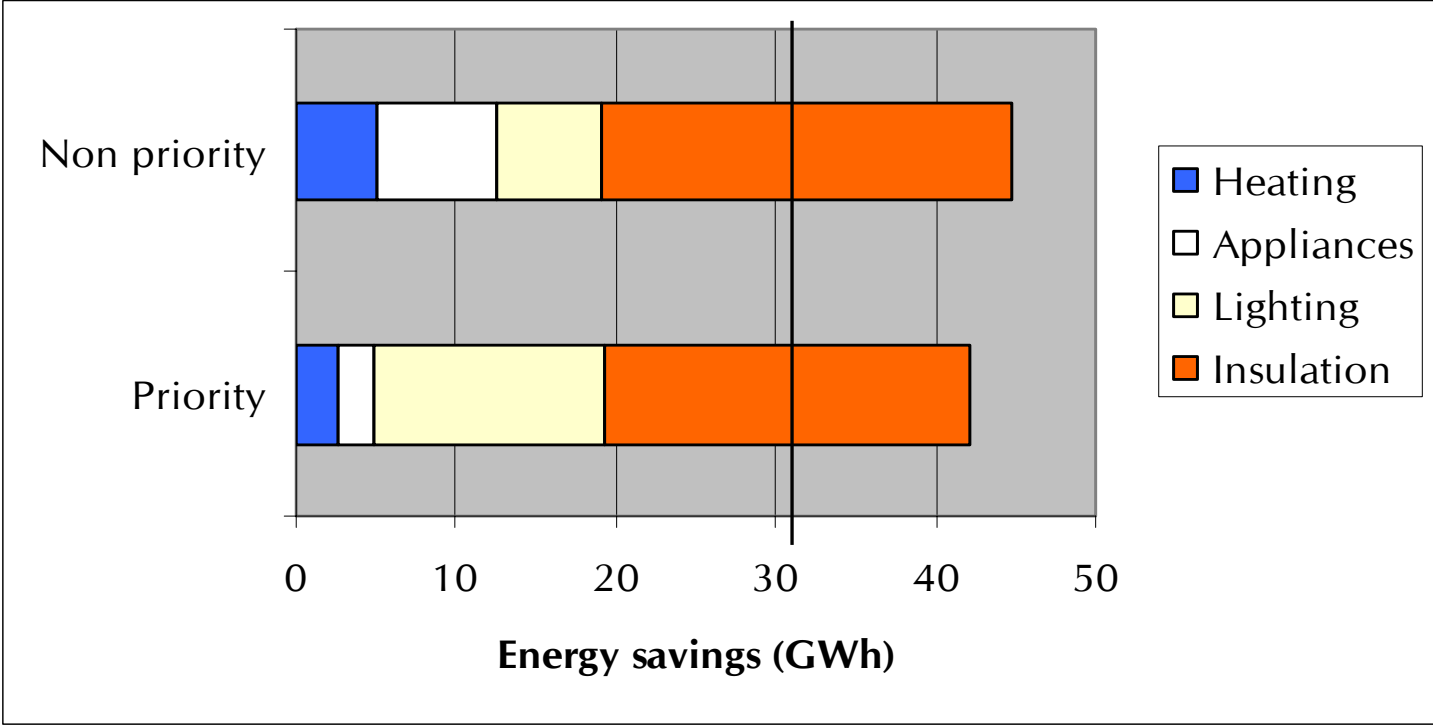
Target

- 12 suppliers
- 62 TWh target
- 50% Priority Group consumers

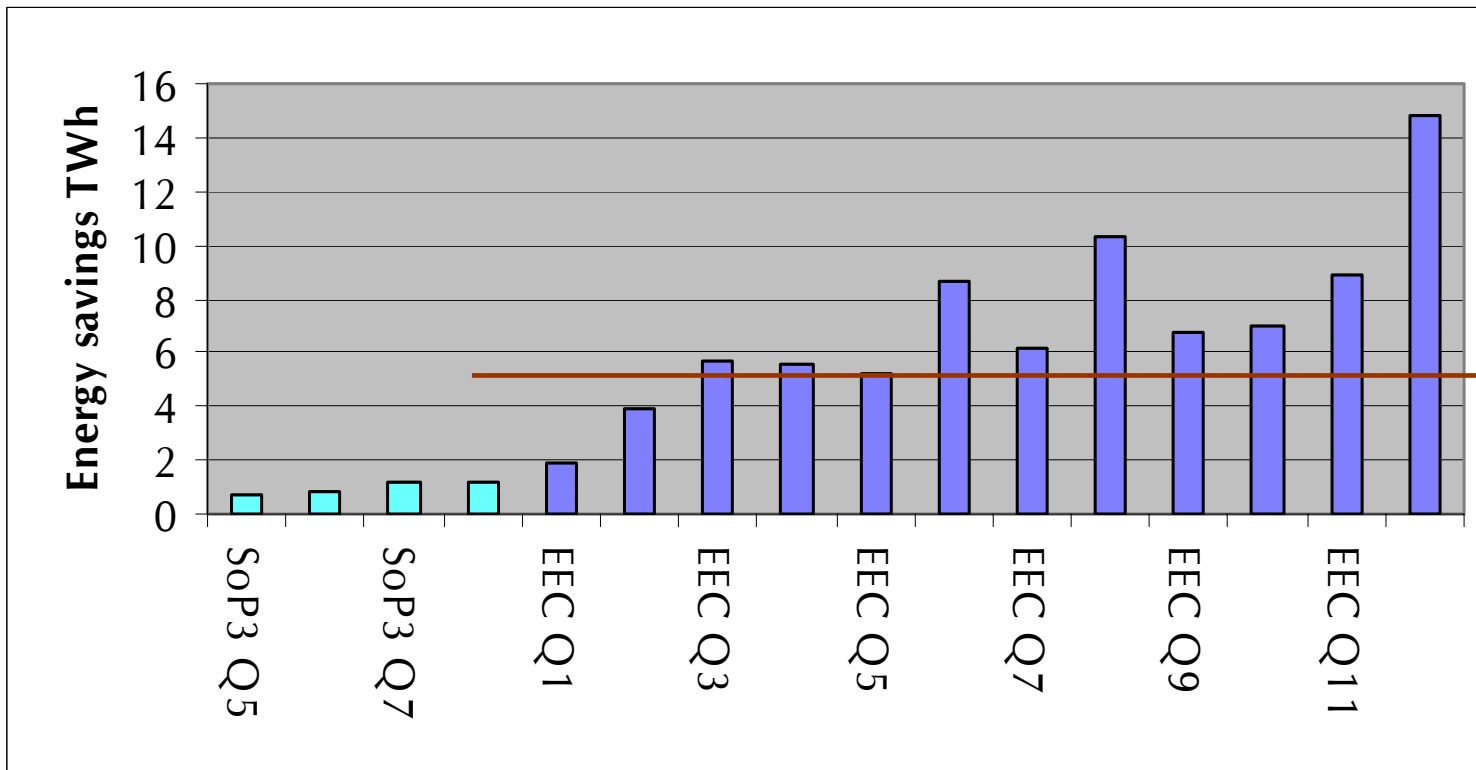
Achievements

- All solvent suppliers complied with their targets
- 86.8 TWh achieved
- 42 TWh in the Priority Group

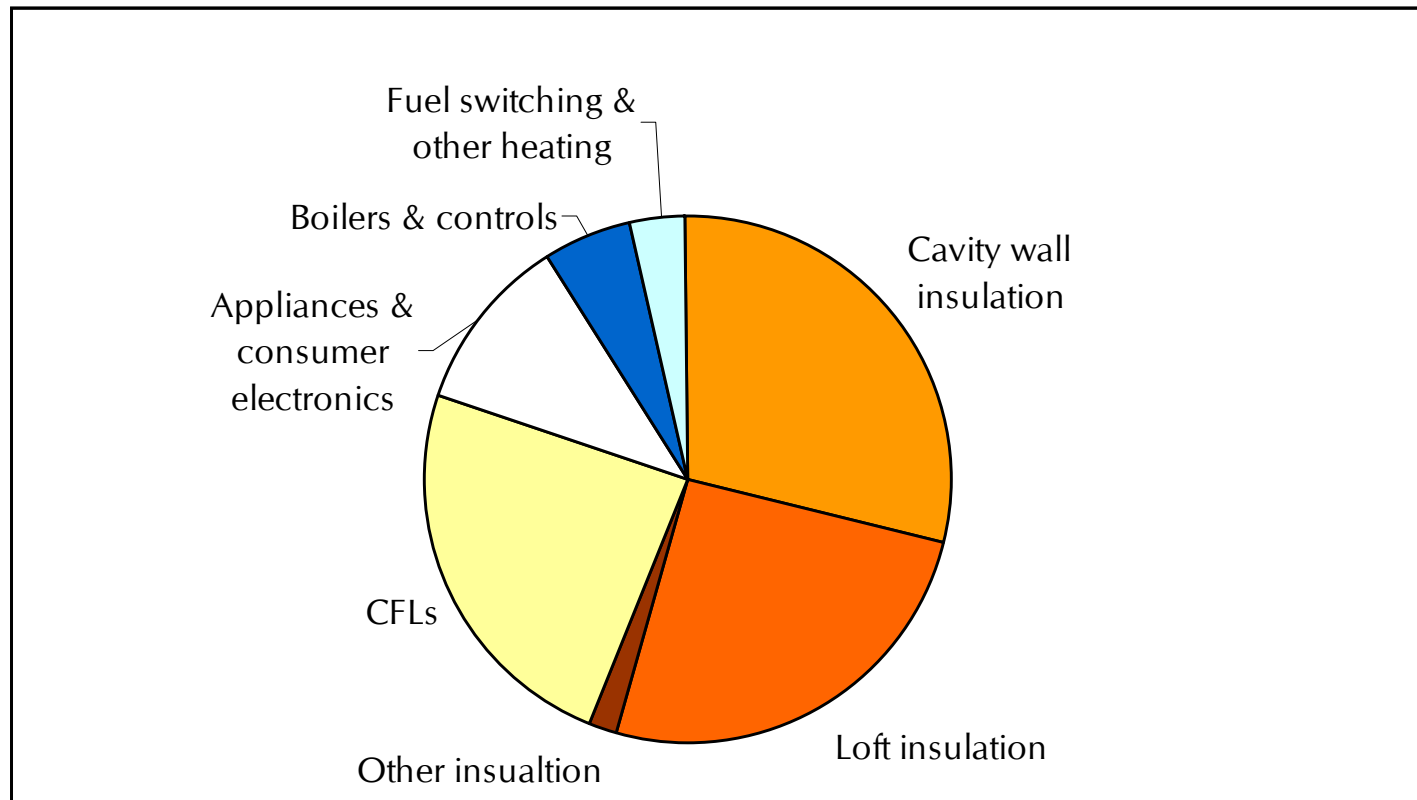
Priority Group vs non Priority savings



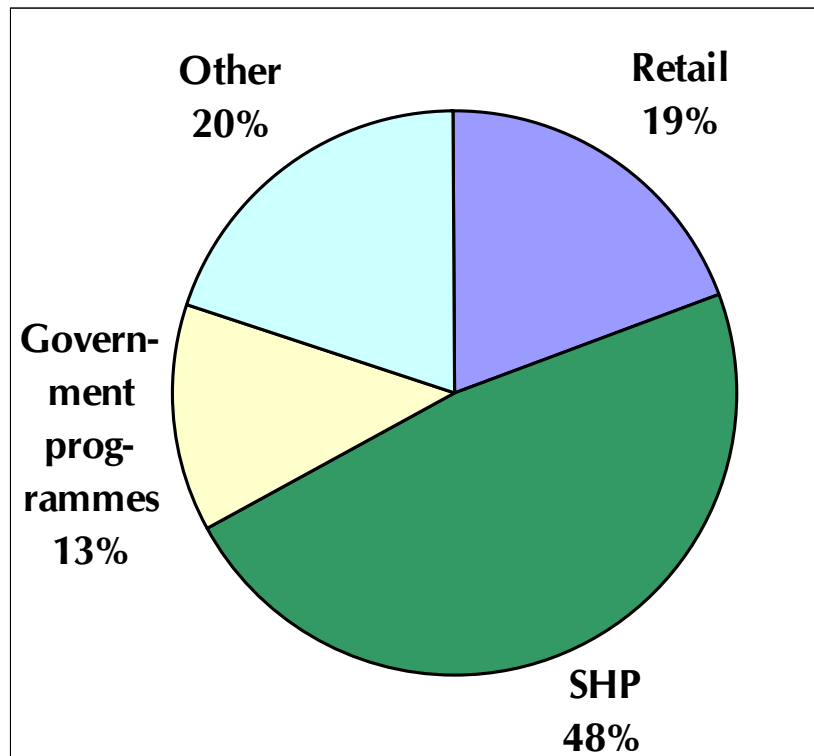
Energy savings achieved per quarter



Energy savings, as a percentage of the total achieved, by measure type

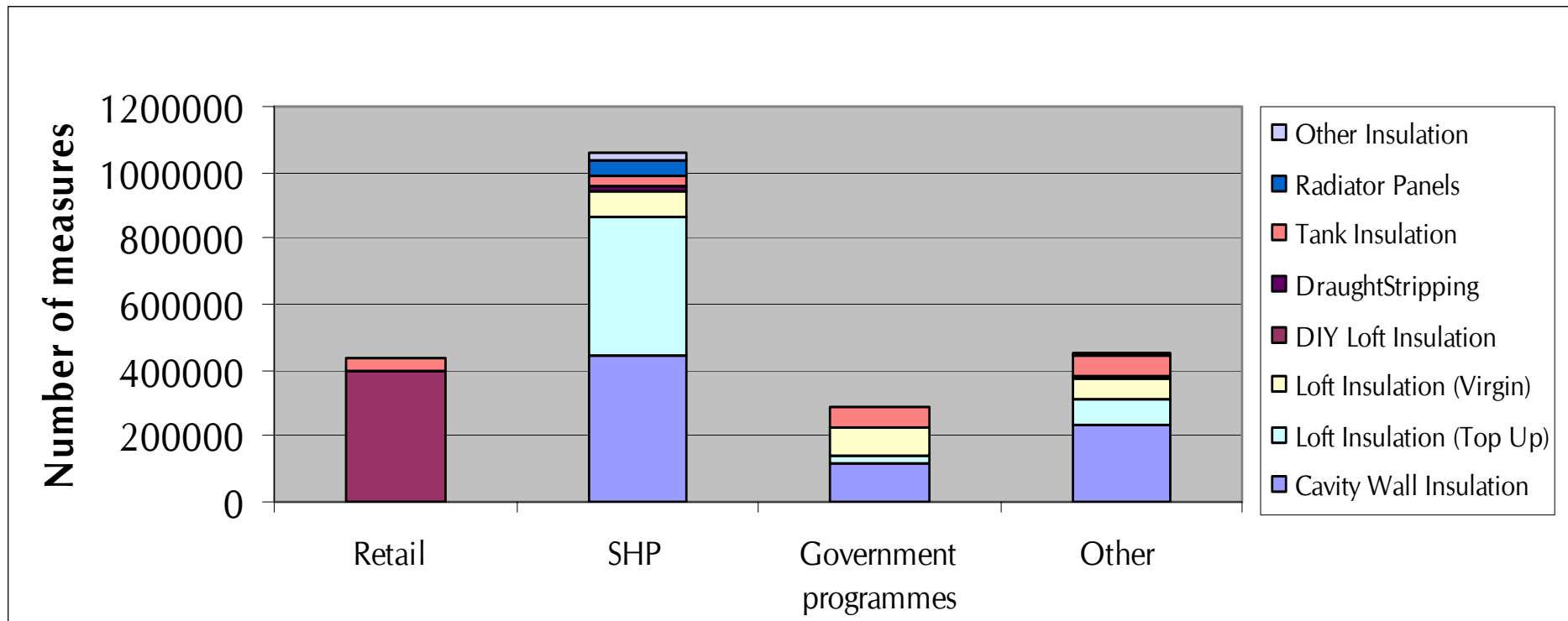


Insulation

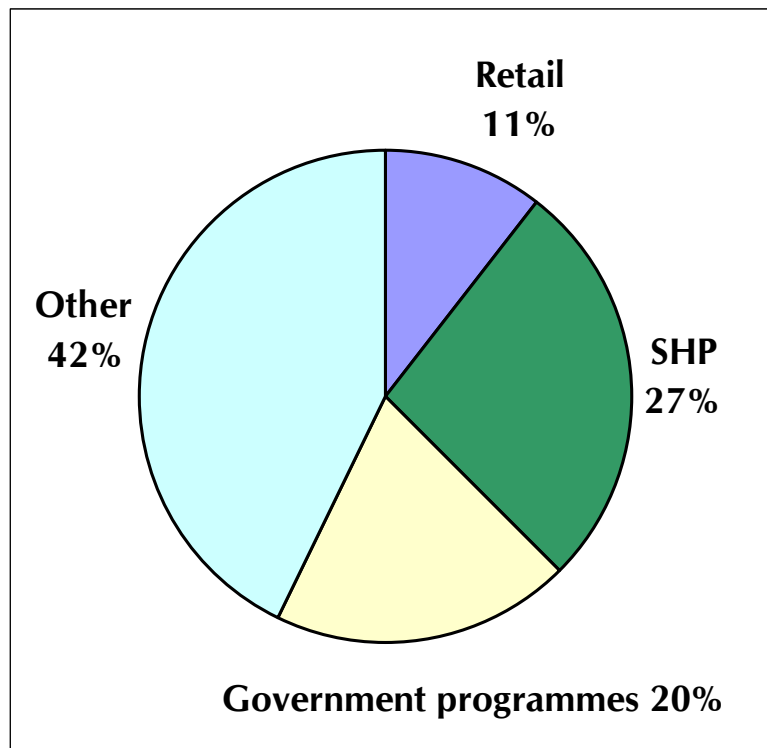


- Well over a million homes assisted
- 56% of all energy savings
- Just under 50% to the Priority group
- Dominated by
 - Cavity wall insulation
 - Loft insulation
- Other insulation
 - Tank jackets
 - Draught stripping
 - Radiator panels
 - Solid wall insulation

Insulation measures installed, by delivery route



Lights

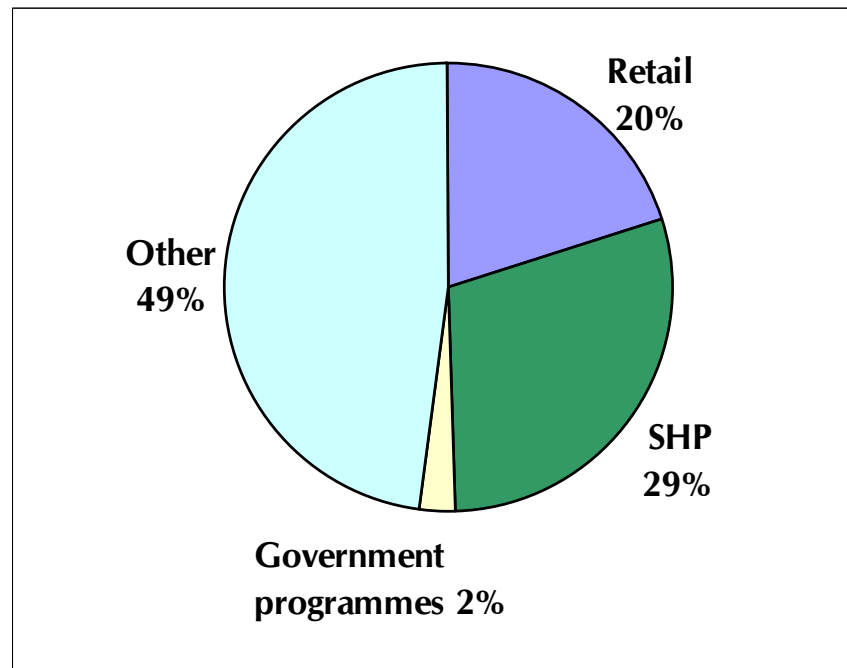


- Almost 40 million distributed
- 25% of the total savings
- 23 million to the Priority group
- Most provided for free
- Some luminaires sold also

Appliances

- 6.5 million A rated cold and wet appliances sold
- 11% of the total energy saving
- 20% to the Priority group
- All through retailers
- ...with the exception of some fridgesavers
- Consumer electronics also sold

Heating



- 9% of all energy savings
- One third to the Priority group
- Mainly boiler and controls upgrades

Also:

- Fuel switching
- Communal heating
- Ground source heat pumps

Summary

- Overall savings against the target were 86.8 TWh
- 50% of the target was in the Priority Group
- Around 10 million households in Great Britain have benefited
- Customers will save around £350 million per year
- Expected to cut carbon emissions by 1%
- Work continues under the EEC 2005 – 2008

The title of the presentation, "Energy Efficiency Commitment – Emerging Issues", is centered within a white rounded rectangle with an orange border. The background of the slide is a blue-tinted image of electrical components, including a power strip and a plug.

Charles Hargreaves
Head of Energy Efficiency, Ofgem

Compliance EEC 2002-2005

- All solvent suppliers complied with their obligations including targeting at least 50% of the energy savings on the Priority Group
- The Authority decided it would serve no practical purpose to impose a penalty on those companies that had fallen into administration
- There is a slight shortfall against the overall target

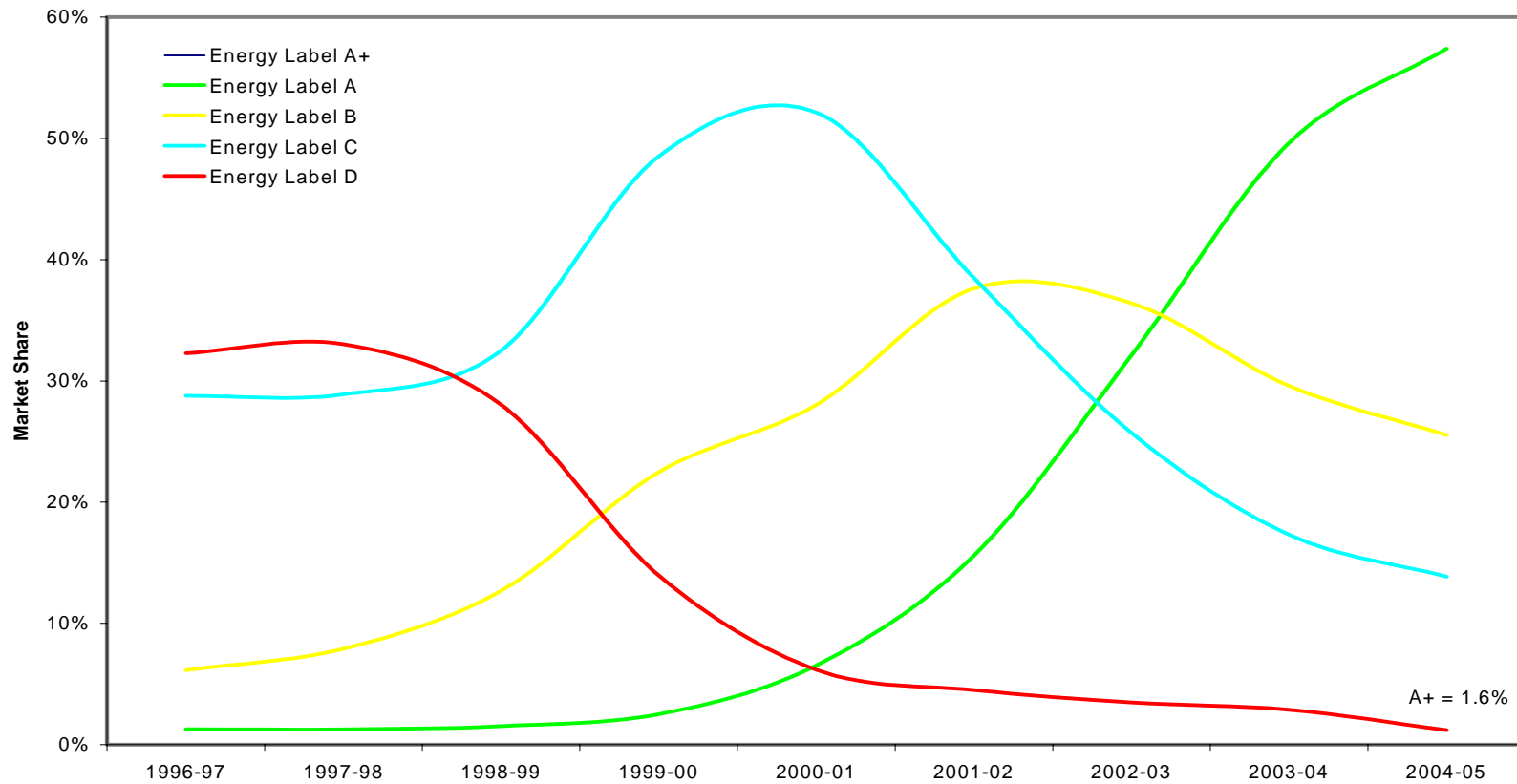
Targeting of the Priority Group

- Suppliers met their Priority Group targets by:
 - Integrating with the Warm Front
 - Extending SHP schemes
 - Distributing free CFLs
- Changes to the Warm Front eligibility
- A lot of SHP activity already complete
- CFLs not so attractive

The effect of the EEC 2002-2005 on the market of the different measures

- More than 6 million appliances promoted
- More than 300,000 condensing gas boilers promoted
- Almost 40 million CFLs distributed
- Around 1 million homes insulated

Appliance sales



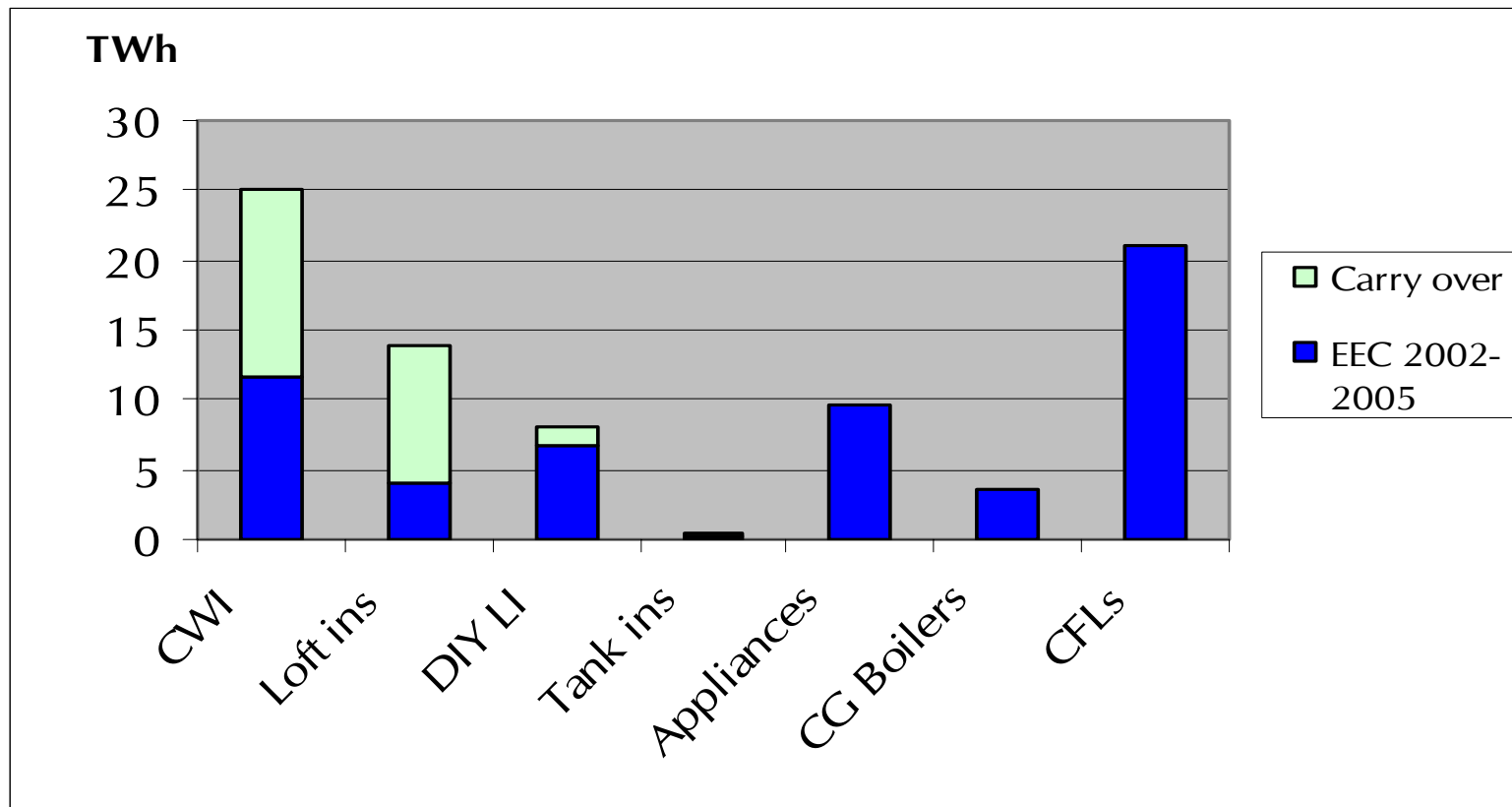
Changes to the accreditation of measures

- Accreditation based on:
 - latest monitoring results
 - changes to legal standards
 - changes in the energy consumption of the market average product
- These led to a reduction in the energy savings for CFLs, appliances and heating measures
- Energy savings for insulation increased
- These changes had big implications for supplier activity in last six months

Supplier carry over

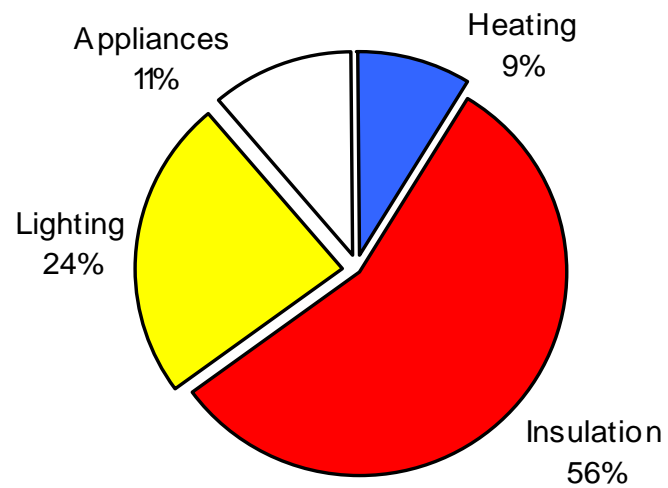
- In the White Paper the Government proposed to double the scale of the EEC 2005-2008
- Defra gave a clear signal that the suppliers would be able carry over all their excess activity
- Ofgem has agreed the energy savings to be carried over with suppliers

Measures to target and measures carried over

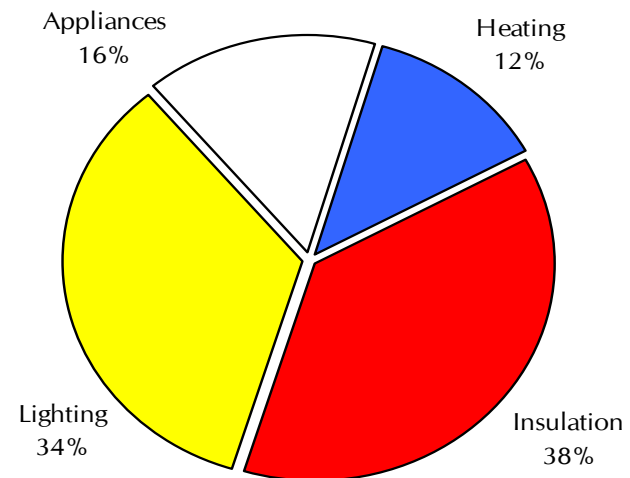


Breakdown of energy savings overall and to target

Overall



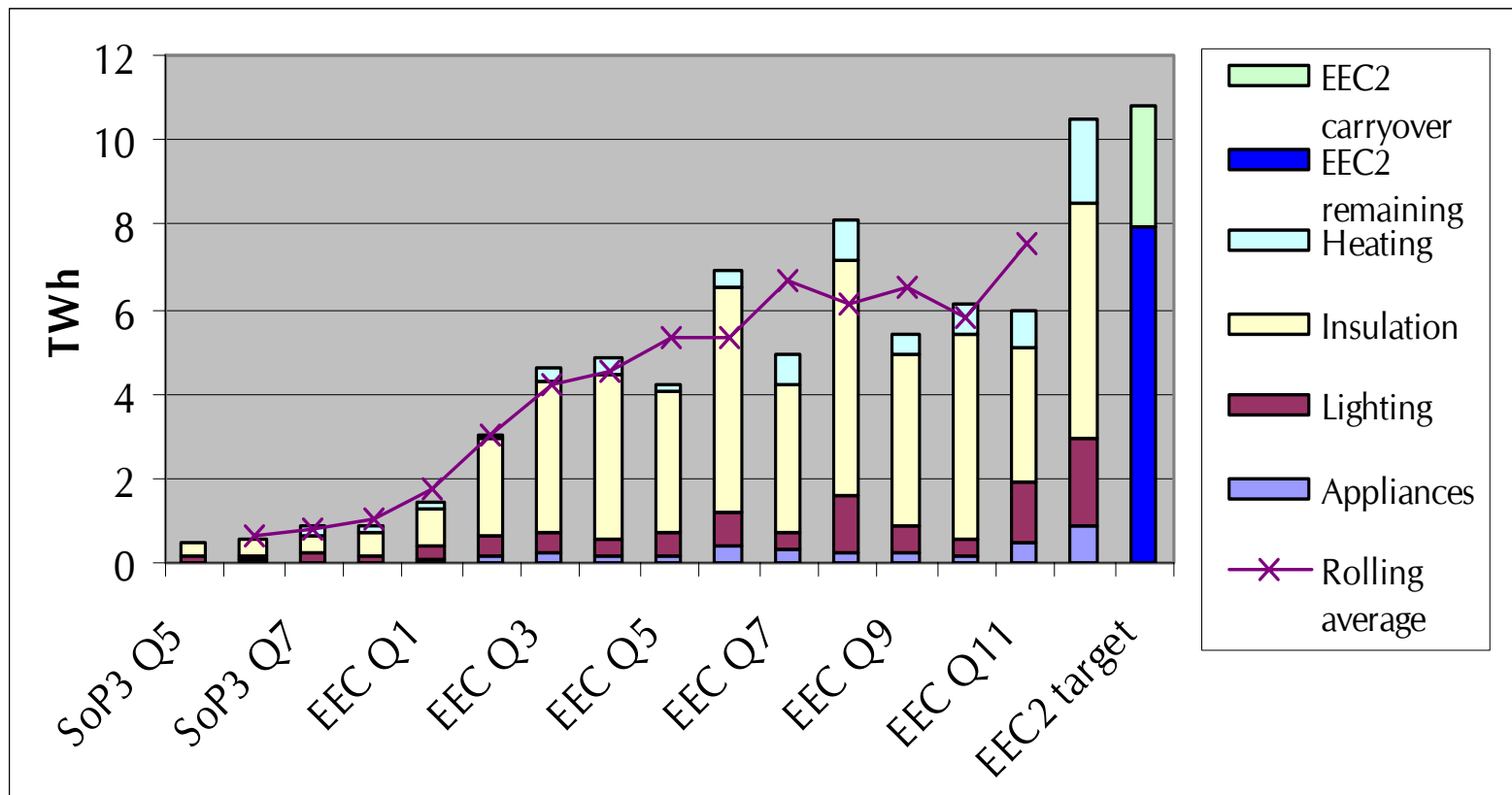
To target



Carry over to EEC 2005 - 2008

- Each of the six large energy suppliers carried over energy savings
- The total level of carry over equated to 35 TWh of EEC 2005-2008 energy savings, just over 25% of the target
- This has implications for the amount of work suppliers will have to do in the period 2005-2008

EEC activity by quarter



Implications for the EEC 2005-2008

- Suppliers are still looking to carry out a variety of measures
- The overall target for the EEC 2005-2008 is 130 TWh
 - Activity for the three years 2005-2008 will have to be around 95 TWh
- A comparison of the period 2002-2005 and 2005-2008 shows that there will have to be an increase in the supplier activity
- The carryover does not undermine the EEC's contribution to the Climate Change Programme, but extends the timeframe over which it is achieved

A large, central ofgem logo, identical to the one in the top right corner, set against a background of a blurred electrical plug and socket.

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gas and electricity customers