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ENERGY





Energy Efficiency Commitment - Integration & Opportunity

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- **EEC2 Implementation**
- **EEC3 Challenges & Opportunities**
- **Energy Efficiency - More for Less?**



❖ EEC2 IMPLEMENTATION





EEC2 – PROGRESS

- Early start
- Priority Group challenges
- Insulation industry
- Transition rules for EEC2 – EEC3



❖ INTEGRATION WITH CORE BUSINESS

- Environmental issues
- Core Business
- Integration
- Best Result



EEC2 – INTEGRATION AND INNOVATION

- All customers
 - Price increase messages
- Tariffs - High Users & Over 55's
 - Energy Assist
 - Read Reduce & Reward
- PSR
 - Home Comforts identify community groups 40
 - Home comforts 2 per year PSR/55+
 - Ridegway care & repair
- Vulnerable customers/Fuel poor
 - Password scheme
 - Safe, Warm & secure - Avon & Somerset
 - Energycare network
 - EDF Energy London Warm Zone
 - Foundations – home improvements agencies – web site
 - Web site for stakeholders
 - Bristol debt advice centre



ENERGY ASSIST TARIFF

- Energy Assist (social tariff) the first product to tackle energy cost, energy efficiency and income
 - Energy Assist formalised our approach (launched 1st April 2006) and offers 15% price reduction for year 1 and 10% for year 2.
 - Free benefits entitlement check - increased average household incomes by £1,131
 - Energy advice
 - Offered energy efficiency measures and information via the EDF Energy Trust
- All customers on the pre existing social tariff were automatically transferred onto this new offer.

❖ READ, REDUCE & REWARD

- First tariff to encourage energy reduction
 - facilitate more accurate bills as a result of customers reading their own meter
 - RRR has no premium, so it is a free added value service
 - Customers taking RRR appear to have increased satisfaction
 - High consumption and over 55 are the two segments targeted
- Marketing campaign won the Utility Week Marketing Initiative of the Year
- Not allowed in EEC2 – but a forerunner for EEC3?



❖ LONDON WARM ZONE

- Warm Zone concept 2001
 - with the London Borough of Newham, EDF Energy pioneered what a successful model for reducing fuel poverty
- Prime purpose is to reduce energy bills and increase ability to pay
 - by offering energy efficiency assessments and benefits health checks
- Systematic door-to-door assessment of homes
 - Multi-lingual, highly skilled assessment teams employed, accessing all sections of the community
- Future
 - Continue to operate in East London & potentially in other London regions
 - A successful model for us
 - Good integrated approach to tackling fuel poverty

OPPORTUNITIES AND CHALLENGES FOR EEC3



Is there a climate for
change?





EXTERNAL WORK GROUPS

- **Too much talk & not enough action?**
 - **Fuel Poverty Advisory Group**
 - Max value from EEC and Warm Front for fuel poverty
 - Fundamental understanding of what is needed
 - » Income maximisation, declining opportunities for energy efficiency
 - What resources are needed for the capital solutions & who should pay in future
 - Trade offs between capital and revenue solutions
 - With flexibility EEC can do more
 - **UKBCSE**
 - Range of discussion papers covering fuel poverty and energy efficiency
 - **ERA & Defra EEC3 target sub group**
 - Future EEC opportunities
 - Await the first consultation

❖ EEC3 – OPTIONS

- How to deliver more carbon savings and tailored support to the fuel poor for same overall cost?
- **Shaping the future**
 - Separate environmental and social programmes
 - Opportunity for innovation & new technologies
 - Flexibility for suppliers
 - We might envisage an small element of financial support mechanisms
 - Trading of energy efficiency certificates
- **Our view**
 - Cost to our customers
 - Realistic view on what can be achieved via the Priority Group
 - Innovation & flexibility
- **Design for the future & not for 3 years**

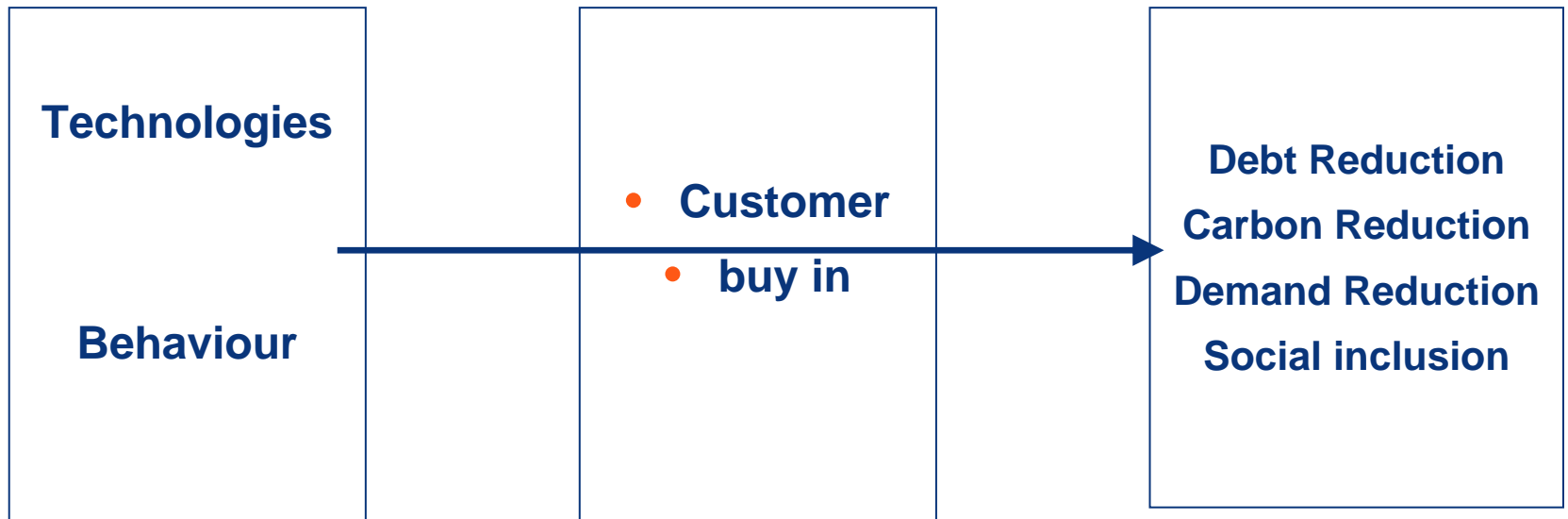
ENERGY EFFICIENCY
MORE FOR LESS



❖ RAISING THE GAME FOR CARBON REDUCTION

- **Market based solutions**
 - Customer education and buy-in
 - New technologies
 - Attractive propositions
- **Tougher and better enforced buildings regulations**
 - Buildings, manufacturers, private landlords
- **Extend producer responsibility to include carbon**
 - Vehicle, appliance, building manufactures responsible for the carbon emissions of their products during their anticipated lifetime.
 - Carbon costs internalised into cost of goods.
 - Encourages innovation to create lowest-carbon products
- **Key Principles**
 - A flexible approach & rewards for innovation & risk-taking in the market place
 - Consumer engagement & fiscal Incentives
 - Public awareness

❖ AN INTEGRATED FUTURE



• BUT

- **12 years of EESoP & EEC**
 - Apart from volumes what's changed?
- **Climate Change - biggest threat to mankind?**
 - 60M population
 - Less than 5000 actively focussed!
- **Lets get mobilised**