

The Energy Efficiency Commitment 2002 – 2005

Decision in relation to Ofgem's open letter of 16 June 2005

On 16 June 2005 Ofgem published an open letter seeking views on its intention to allow an Energy Efficiency Commitment (EEC) scheme, which had been notified late, to be considered qualifying action. The energy saving measures delivered under this scheme led to an improvement in energy efficiency and accounted for more than 10% of the supplier's target.

Ofgem has received three responses to its letter and has discussed the issue with other obligated suppliers. Only one respondent did not accept that Ofgem's decision was the most appropriate approach. Ofgem has discussed the issue with this particular respondent but it has not been able to provide any information that Ofgem has not already considered. The other respondents supported Ofgem's decision as the scheme has led to improvements in energy efficiency.

The supplier who submitted their scheme late has volunteered to forego around 5% of the savings achieved by this scheme. Ofgem has now approved the scheme on this basis.

Suppliers are reminded that under article 5(2)(a) of the Electricity and Gas (Energy Efficiency Obligations) Order 2004, (the Energy Efficiency Commitment 2005 – 2008), they have a statutory duty to notify Ofgem of their actions within one month of commencement. Ofgem's decision in this case does not affect that duty.

Ofgem

30 June 2005