



Energy Efficiency Commitment

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2 August 2005

Agenda

- **EEC - Strategic Perspective**

- Policy instrument for climate change/priority group
- Value driver for energy suppliers
- Changing customer behaviour

- **EEC - Operational Perspective**

- Our partners
- Our customers

- **The Future?**

EEC – Strategic Perspective

- **Policy Instrument for Climate Change/Priority Group**

- Energy & carbon savings
- Market transformation & energy services
- Alleviation of fuel poverty

EEC1 – Energy & Carbon

- **Energy savings**
 - National Target – 62 TWh
 - Delivered – 87 TWh
- **Carbon savings**
 - 0.6 MtC per year
- **Benefits of early start**
 - Delivered carbon savings early
 - Maintained continuity of programmes
 - Priority Group customer savings early

EEC – Market Transformation

- **Appliances**
 - circa 60% sales now A rated
- **Condensing Boilers**
 - High growth (buildings regulations)
- **Lighting**
 - Significant volumes
- **Insulation**
 - Substantial growth
 - Energy services?

EEC – Alleviation of Fuel Poverty

Via the Priority Group

- Priority group is a poor proxy for fuel poverty
- EDF Energy helped over 750,000 PG customers
- Assume a conservative 25% are fuel poor
- Total benefits
 - Free insulation worth £4M
 - Annual energy savings of £5M
 - Over life of measures a package worth £40M per average FP household supported

EEC – Strategic Perspective

- **Value Driver for Energy Suppliers**
 - Customer loyalty/acquisition & brand
 - Cost reduction
 - Staff awareness/involvement

EEC – Value Driver for Energy Suppliers

- **Customer loyalty/acquisition & branding**
 - Would like to think so – churn rates?
 - Green Light tariff
 - Home Heat Saver
 - Brand reinforcement

EEC – Value Driver for Energy Suppliers

- **Cost reduction**

- Debt management
- Key driver competitive tender process
- Indirect costs - customer targeting
- Indirect costs – staff cost

- **Staff awareness/involvement**

- Read Reduce & Reward
- Energy in a box

EEC – Strategic Perspective

- **Changing Customer Behaviour**
 - **Heating**
 - 18,500 gas condensing boilers
 - **Low Energy Lighting**
 - 750,000 customers
 - **Appliances**
 - 183,000 customers
 - **Cavity wall and loft Insulation**
 - 160,000 customers but has it changed behaviour?

EEC – Operational Perspective

- OFGEM
- Installers
- Retailers
- Community Partners
- Customers

EEC – Operational Perspective

- **OFGEM**

- Approachable/helpful
- Listen to ideas
- Tenacious/dogmatic?
- Focussed on responsibilities
- Over administration

EEC – Operational Perspective

- **Installers**

- Good relationships - working together
- Quality issues – very important
- Best ever transition EEC1 to EEC2
- Customer complaints

EEC – Operational Perspective

- **Retailers**

- Miller Brothers
- Apollo 2000
- Sainsbury's
- Robert Dyas
- BHS
- TJ Morris

- **Assortment of appliance and lighting schemes**

- EEC2 rules make these more challenging
- In support of our core business

EEC – Customers

- **Complaints**

- **Technical** - less than one per month,
 - making good holes, clearing up properly, drilling through a single skin wall (very rare)
- **Non-technical** - installer hasn't contacted with them within the stated time period. (daily in winter!)
- **Mainly telephone contact** – rarely by letter

Resolve all customer related issues amicably between us, the installer and the customer.

EEC – Operational Perspective

- **Community Partners**

- Local Authorities & Housing Associations
- Energycare network
- London WarmZone

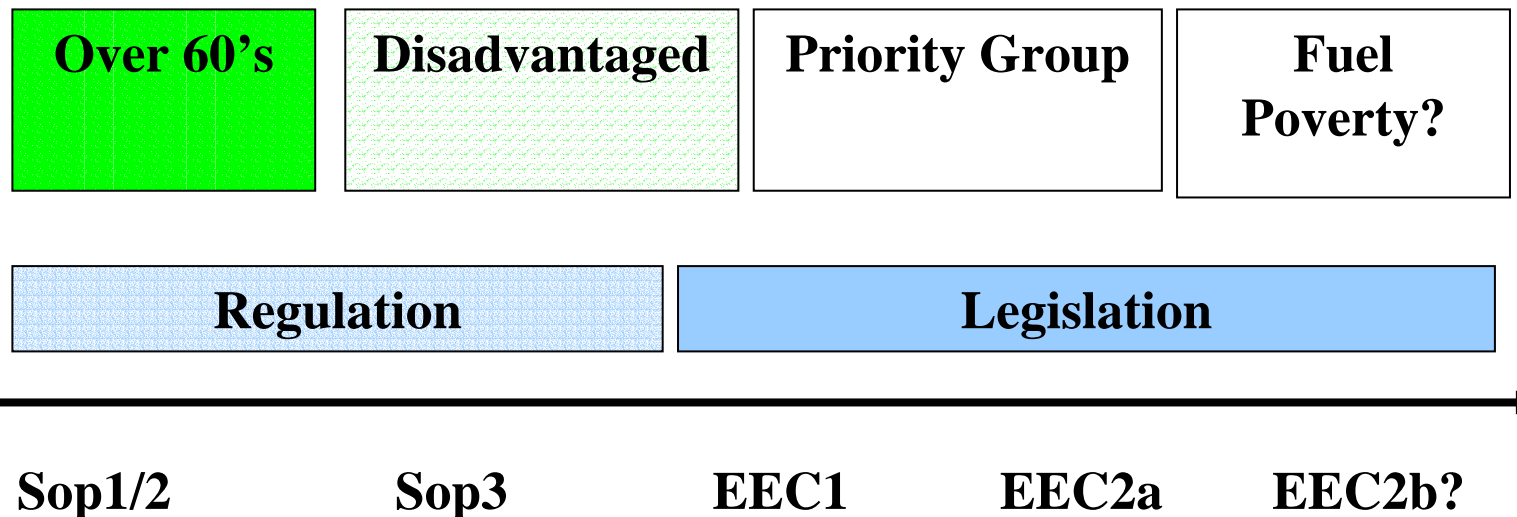
Future Options

- **Three main questions**

- Are we making an impact?
- Are we addressing the problem?
- Can we just go on expanding in the same way?

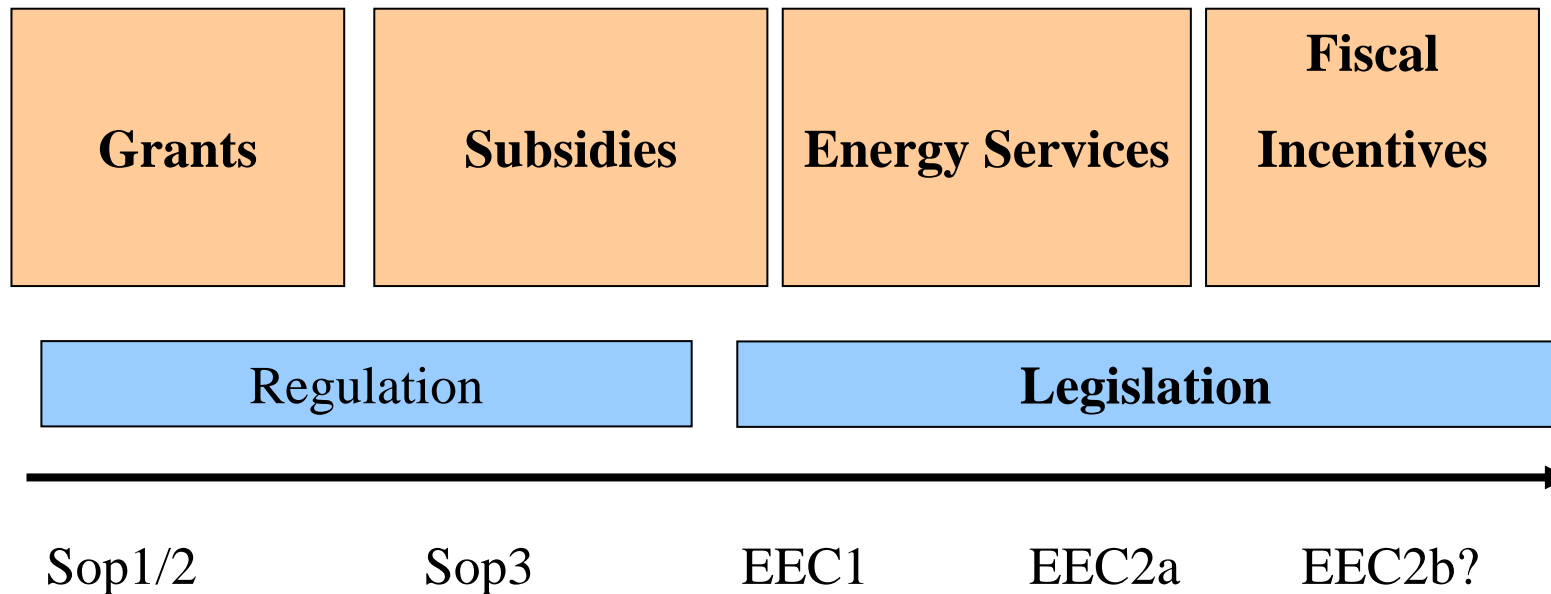
The changing priorities of EEC

Social focus



The changing priorities of EEC

Funding approaches



Future Considerations

- Let's be realistic
- Let's sort out the priorities
- Review should focus on
 - Environmental or a social programme
 - Energy services or subsidies for insulation market?
 - Energy efficiency or environmental solutions
 - Behavioural change?

**Is there a
“Climate for Change” ?**