

# Code of Practice on the Efficient Use of Electricity and Gas

## Non-domestic suppliers

### Guidance Notes

#### Standard Licence Condition 25

#### 1. Introduction

Each relevant electricity and gas licensee is required to prepare and submit to Ofgem for its approval a Code of Practice setting out the ways in which it will make available to its customers guidance on how to improve the efficient use of electricity or gas.

This guidance relates to the Code of Practice for non-domestic customers. Ofgem provides separate guidance for suppliers in respect of domestic customers. However, if suppliers prefer, they may, where appropriate, publish one joint Code for non-domestic and domestic customers.

#### 2. Statement of purpose and objectives

The Code should clearly state its objectives and purpose, as set out in the standard licence condition. It should provide customers with details of:

- a) information and advice, given or prepared by a suitably qualified person where practicable, on the efficient use of electricity or gas;
- b) arrangements, including a telephone information service, whereby customers may obtain further information;
- c) sources outside the licensee's own organisation from which customers can obtain further information and assistance;

- d) information on financial assistance available towards the cost of the energy efficiency measures.

Licensees should consult organisations with expertise on energy efficiency when drawing up their Code, for example the Energy Saving Trust, the Carbon Trust, the government's Energy Efficiency Best Practice Programme (EEBPP) and the Scottish Energy Efficiency Office; as well as trade organisations such as the Confederation of British Industry.

### **3. Specific considerations**

The Code of practice relates to all non-domestic customers. The energy consumption of a non-domestic customer varies greatly according to the size and nature of the business. The written information contained within the Code and any further advice and information should be relevant and tailored to both small and medium sized enterprises (SMEs) as well as larger energy users. The definition of a small-medium sized user is one with an annual fuel use of up to 8,800 thousand kWh for electricity and for gas<sup>1</sup>. Particular attention should be paid to small organisations, defined as those who spend less than £20,000 per annum on energy.

Licensees should consider linking in energy efficiency with the Climate Change Levy by highlighting the financial benefits that could be gained from the efficient use of gas and electricity.

#### **3.1 Information and advice on the efficient use of electricity or gas**

The Code should include a statement containing practical information and advice for small and medium sized enterprises on:

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<sup>1</sup> Department of Trade and Industry Energy Statistics

- a) how they can use electricity and gas more efficiently. This should include specific examples of the steps which customers can take to achieve improvements, and the relative costs, lifetimes and energy savings for the different measures. Energy Efficient appliances, low energy lighting, combined heat and power and improved insulation should all be covered;
- b) how they can obtain practical help with the installation and financing of suitable energy saving measures and other measures available to help customers;
- c) information on the relative cost of using electrical or gas appliances;
- d) practical information on carrying out suitable energy surveys and audits, including information on observing and monitoring energy use.

The Code should include a statement containing practical information and advice for larger energy users on:

- a) practical information on carrying out non-industry-specific energy surveys and audits;
- b) how they can obtain practical help with the installation and financing of energy saving measures such as through energy service schemes, Enhanced Capital Allowances and Climate Change Levy negotiated agreements.

Given the wide scope of businesses, and the complexity of the different uses of energy, the Code may state that it is not possible for suppliers to provide advice which is specific to individual circumstances.

The Code is not intended to provide commercial information or to support electricity or gas marketing by the licensee. However, it can include tariff and other information on electricity or gas supply charges relevant to the efficient use of electricity or gas such as the availability of energy services packages combining the provision of electricity and gas with energy efficiency measures.

### **3.2 Arrangements for obtaining further information**

For both SMEs and larger energy users, the Code should

- a) describe arrangements for providing advice or information on the efficient use of electricity or gas to customers who request additional advice to that contained in the Code, including the maintenance of a telephone service.
- b) indicate the scope of the additional advice which it has arranged to provide and the terms on which it is available to both SMEs and larger users. It is open to licensees to arrange for this further information to be provided either in-house by the licensee itself or by an external organisation, though in either case the licensee will be responsible for ensuring compliance with the requirement that its customers should have access to further information;
- c) specify whom customers should contact for further information. The advice line should be used to identify the type of business customer in order to refer them to a relevant trade body or organisations such as the Energy Saving Trust for SMEs or the Carbon Trust for larger energy users.

Steps should be taken to identify the type of non-domestic consumer including their energy use and the type of assistance required. This information should be used to identify the relevant contact points for the customer.

Licensees should pay special attention to the way in which telephone advice lines can best be operated. Companies should take steps to ensure that they can distinguish calls, where the caller wants energy efficiency advice, from other calls. This may require a telephone line dedicated to energy efficiency advice and companies should ensure that customer enquiries are not used as an opportunity for sales promotion.

### **3.3 A statement of sources of further information and assistance**

The Code should include:

- a) details of sources outside the Licensee's organisation from which customers can obtain further information or assistance in relation to measures to improve the efficient use of electricity or gas. To meet this requirement, the licensee need not enter into any special arrangements with the external sources, but it needs to ensure that the statement, which it gives to customers, is kept up to date;
- b) contact details of energywatch offices, central government agencies and trade associations as well as other organisations relevant to SMEs such as Energy Efficiency Advice Centres and the Energy Saving Trust; and contacts relevant to larger users such as the Carbon Trust and Energy Efficiency Best Practice Programme. Licensees should state the type of information offered by these organisations and what type of non-domestic customer they can assist;
- c) basic information, which is publicly available, on financial assistance which is available to customers from central or local government or from government funded bodies in connection with measures to promote the efficiency of energy use.

Information on sources of further information and assistance should ideally correspond and refer to the information and advice provided on the efficient use of electricity and gas in the code of practice.

#### **4. Training**

Staff giving or preparing energy efficiency advice should have appropriate knowledge to enable them to identify the type of business customer, what advice is required and refer such enquires to an appropriately qualified person or organisation.

#### **5. Further information and advice**

The Code should state that it has been prepared in consultation with energywatch and approved by Ofgem. It should advise customers of the role of energywatch in dealing with disputes and should provide a contact address and telephone number for customers to

contact with any query about the Code or its implementation, or how they have been dealt with by the licensee or its agent.

## **6. Dissemination and promotion**

In addition to the requirements for dissemination of the Codes outlined in the Introduction to the Guidance Notes, the licensee should take appropriate steps to promote its energy efficiency advice service. It should also actively target advice at specific types of businesses. Specific points for promoting the advice service might therefore be:

- On the back of bills
- With descriptions of tariff structures
- In any relevant publications
- With 'welcome packs' for new customers
- When customers change address
- When reading meters
- On the licensee's website

## **7. Approval of the Code**

Ofgem has produced a separate note setting out the procedures for companies, in forming their Codes, liaising with energywatch and seeking approval from Ofgem.