

Social Action Plan

Newsletter



From l to r: Hazel Parsons (energywatch), Helen Casey (L.B. Camden) and Anton Draper, Ofgem

Camden goes to Town on Energy Efficiency

Ofgem, energywatch and the London Borough of Camden have teamed up to bring the message about energy efficiency and switching to local communities.

London Borough of Camden is recruiting volunteers from the local black and ethnic minority community groups throughout the borough to provide them with information and training about how to save energy at home and reduce fuel bills. Volunteers will then pass on this knowledge and advice to others in the community.

Ofgem is supporting the pilot and has produced 15,000 leaflets for the

volunteers to distribute in their communities. We are also helping Camden to publicise and evaluate the effectiveness of the pilot. We hope that, if successful, other local authorities may wish to emulate the model in their area.

The training is available in different formats and can include study for a City and Guilds qualification in Energy Awareness. Camden can also provide tailored sessions for individuals.

energywatch will also be supporting the project by providing information to households who want more advice on the options for saving money on their fuel bills.

**To find out more about how you can get involved please contact:
Helen Casey 020 7974 5059.**

Message from the editor

After a busy summer, a new newsletter brings an opportunity to take stock and also look forward to an equally busy winter.

The Priority Service Research project is now underway. Ofgem is working with two established and respected market research agencies, MORI and Accent, to evaluate the service that suppliers are providing under the PSR and whether this matches customers' needs and expectations. Ofgem is also researching

how DNOs and gas transporters carry out their obligations towards vulnerable customers. The report is due to be published in December.

Following on from the last edition where we highlighted a project to extend the gas network in Yorkshire, Ofgem published its final proposals for how future infill developments will be regulated in July.

Ofgem proposed to allow transporters to recover some of their costs (at a capped rate) through customers' bills over a period of twenty years. This will potentially make upfront charges for customers wishing to get a connection to the network far more affordable in future, and hopefully lead to more connections.

Finally, to the dismay of housewives everywhere, Social Action Plan pin-up boy Anton Draper is leaving Ofgem for pastures new. Anton has been a member of the Action Plan team since 1999 and, prior to his move down to London, worked for OFFER in Nottingham.

He will be greatly missed. While we await Anton's replacement with bated breath, we already have one new member of staff - Marc Grillet has joined the team as administrator and is looking forward helping in the battle against fuel poverty!

Graham

- Graham Knowles

Suppliers full of ideas on how to cut debt



Over the summer, Ofgem and energywatch have been visiting suppliers to discuss the implementation of their debt prevention strategies.

The visits have demonstrated suppliers' commitment to the prevention of debt. In the last newsletter, we highlighted some of the main themes coming through. For example, suppliers have reviewed their billing and meter reading arrangements to ensure greater degrees of accuracy; they have looked to improve the training given to frontline staff and make better use of systems to identify customers who might benefit from wider help; and they have strengthened links with outside agencies.

Suppliers have also been considering how best to target advice and help at those who may need it most. Here are some of their ideas.

- Using the Indices of Social Deprivation to direct help towards customers living in the poorest areas

- Introducing a network of advisors to provide energy efficiency and money advice in the home,
- Targeting customers either in debt or vulnerable to debt with information and help
- Intercepting high bills before they go out to investigate why they may be so high, and calling the customer to discuss possible reasons and whether energy efficiency advice may be appropriate.

While it is clear that all companies are committed to debt prevention, not everything in the garden is rosy. Ofgem and energywatch have also written to suppliers suggesting further measures for them to consider. We have emphasised the importance of strategies reducing the numbers of customers disconnected and the number falling into debt.

Ofgem to assess impact of new policies on low income consumers

The Sustainable Energy Bill, currently in the House of Lords, looks set to become law before the end of the year. One of its provisions is to require Ofgem to carry out Regulatory Impact Assessments (RIAs) for all significant new policies.

Ofgem has already carried these out in developing a number of recent policies,

and is taking a leaf out of the Cabinet Office's good practice book in doing so.

As part of this process, Ofgem is committed to considering the distributional effects of the various policy options being considered at any one time, including the social impacts.

In order to help us do this in a structured way, Ofgem has been working with DTI and others to build

up more accurate data on income and expenditure on fuel across the range of households.

In this way, going forward, we will look at policy impacts on average households, but also on households in various income deciles, in particular the lowest decile - who spend three times more of their disposable income on fuel than the average household.

EEC!

There's summit going on!



1 August 2003 saw Ofgem host an Energy Efficiency Summit to mark the publication of two key energy efficiency reports.

The Summit was attended by 50 representatives of energy companies, government and interested agencies. The presentations - on the achievements of the Energy Efficiency Standards of Performance (EESoP) programmes and on the current progress of Energy Efficiency Commitment (EEC) - were themed to reflect the two reports.

Ofgem reported to the Secretary of State on the first year's progress of EEC and at the same time released a joint report with the Energy Saving Trust reviewing the EESoP programmes.

The EEC itself is now half way through. After a slow start as suppliers adjusted to the increase in scale over EESoP, EEC is currently running at the required rate of activity. As expected, measures for insulation, and to a lesser extent lighting, are meeting the bulk of the required energy savings, although a smaller but nonetheless significant number of appliances and heating measures have been delivered.

While customers in the Priority Group (those in receipt of certain benefits and tax credits) are slightly behind in terms of receiving measures, suppliers expect

that they will ultimately account for at least 50% of the energy saving target, as required.

Copies of the two reports, "A review of the Energy Efficiency Standards of Performance 1994 - 2002" and "A review of the first year of the Energy Efficiency Commitment - A report for the Secretary of State for Environment, Food and Rural Affairs" and the presentations from the Energy Efficiency Summit can be downloaded at www.ofgem.gov.uk

Energy Efficiency gets further boost

This autumn sees Ofgem taking further steps in its drive to encourage energy suppliers to improve the quality of energy efficiency advice they provide to customers.



A further round of 'mystery shopping' of companies' energy efficiency advice lines took place in September to check on progress since Ofgem's initial survey early last year. The results should be published before Christmas.

Ofgem has also welcomed the news that the Domestic Energy Efficiency Advice Code of Practice has been launched by the Energy Efficiency Partnership for Homes.

The Code has been developed to promote the provision of accurate and

relevant advice and information to customers by a range of providers, including suppliers, energy advice centres, retailers, manufacturers and installers.

It covers advice given over the phone, face-to-face in the home or at point of sale. Ofgem is calling on domestic energy suppliers to sign up to the Code to demonstrate their commitment to quality advice, and to show a lead to other providers.

Dave Barnes, Ofgem Head of Social

Issues, says, "For the first time, there are quality standards which a range of advice providers can aspire to. The code will help give customers confidence in seeking advice and provide a yard-stick for organisations concerned with energy efficiency to measure themselves. Ofgem wishes every success to the Code."

Further information is available from the Code of Practice website at www.goodenergyadvice.org.uk

Welcome progress on Factor Four

There is welcome news for the delivery of help for fuel poor households with the announcement that the Factor Four pilot project is getting underway in Birmingham.

The three-year pilot has financial support from Innogy, Seven Trent Trust Fund and Barclays Bank, and will operate out of a credit union shop in the Kings Heath area of the city.

Factor Four aims to integrate help in four key areas: energy advice; budgeting and money advice; the take

up of energy efficiency measures; and bill payment.

Ofgem helped with publication of a feasibility study and business plan for Factor Four, and will be supporting the evaluation of the pilot, working with National Energy Action.



Social Issues



Team contact details

If you would like to receive a regular copy of the newsletter or have a general Social Action Plan query, please email:

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To request Ofgem's consultation documents, please email:

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For further information you can also visit our website on:

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Start date for debt assignment protocol set



Following a lot of hard work by energy suppliers, Ofgem has announced a firm implementation date of 2 February 2004 for commencement of a debt assignment protocol for prepayment meter customers.

Ofgem consulted on the principles for this last year, following a trial by the major retail energy suppliers.

On 11 September 2003, Ofgem published proposals for licence modifications to support the protocol in gas. These are subject to a 28 days' consultation period. The protocol is already adopted in electricity through incorporation into the industry's Master Registration Agreement.

Subject to acceptance in gas, the next step is the testing of suppliers' systems early in the New Year, prior to go-live on 2 February.