



Campaigning for Warm Homes

Ofgem Sustainable Development Report 2006

1 National Energy Action, (NEA) welcomes the opportunity to comment on Ofgem's Sustainability Development Report 2006. For more than 25 years NEA has been actively involved in the campaign to eradicate fuel poverty and has sought to ensure the social and environmental impacts of energy policy are addressed in the interests of low-income consumers. The emphasis of both NEA's practical demonstration projects and campaigning activities has been on improving the standards of insulation and heating in properties occupied by those most at risk and providing advice on the means by which health and comfort can be assured whilst using energy in the most efficient manner. NEA considers energy efficiency to be the most cost effective and environmentally sustainable means of ensuring that all homes are adequately and affordably heated.

2 The 2004 Energy Act requires Ofgem to *'carry out its functions in the manner best calculated to contribute to the achievement of sustainable development'*. Sustainable development encompasses the three strands of economic, social and environmental impact and the themes and measurable indicators selected by Ofgem for this report are a useful way of setting out the key issues which are most relevant to this broad duty to promote sustainable development.

3 NEA's comments can be briefly summarised as follows:

3.1 Although it may be helpful to some audiences to see the five themes reported on in one document, Ofgem is already reporting annually on the Energy Efficiency Commitment and produces a social action report which covers its work on fuel poverty. There is also a full annual report on all of Ofgem's activities and perhaps this information could be combined within the overall annual report.

3.2 Clearly there are tensions that need to be addressed to meet the three pillars of sustainable development and Ofgem is most acutely aware of these in terms of how increasing prices affects fuel poverty targets. A description of trade offs and 'horizontal' reporting across these themes might be a more useful method of reporting, explaining how the tensions were either resolved, mitigated or left unresolved.

3.2 NEA would also welcome more detailed reporting on impacts and not just actions – particularly in terms of qualitative differences to consumers of Ofgem's work. There is a considerable amount of information, for example, on Ofgem's membership of discussion groups, but little about what they achieved.

3.3 Comparisons on an annual basis might be considered in future reporting on sustainable development, for example – average cost of gas and electricity; increase/decrease in emissions, with targets to promote improvements year on year and a plan to achieve these.

3.4 Clearly not all action to affect change can be delivered by Ofgem and it is helpful, as has been done in the 2006 report, to see where Ofgem's contribution rests. This should continue in future reporting. It may be helpful to set out any new guidance from Government which would affect the direction of Ofgem's work.

