



## **Ofgem Consumer Second Panel**

Research Findings from the First Event - Appendices

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## 1.1 Discussion Guide

### Ofgem Consumer Panel – Session 1 Agenda

- PRE TASK – Participants asked to investigate the structure of the energy industry
  - Who else is involved other than their supplier

Timing	Item
17.30-18.00	<b>Arrival and Registration</b> <ul style="list-style-type: none"><li>• Signing contracts</li></ul>
18.00-18.15	<b>IN PLENARY:</b> <ul style="list-style-type: none"><li>• Welcome and housekeeping (Opinion Leader lead facilitator)</li><li>• Introduction to the panel.</li><li>• What to expect etc<ul style="list-style-type: none"><li>– <b>BREAKOUT:</b></li></ul></li><li>• General introductions on tables</li><li>• Allowing plenty of time for a 'get to know you' session</li></ul>

Timing	Item
18.15 – 18.40	<p><b>Discussion: Energy habits and switching</b></p> <ul style="list-style-type: none"> <li>• Have your energy use habits changed in any way in the last twelve months? In what way? <i>E.g. behavioural changes / changes to the home etc</i> Why is this?</li> <li>• What are the main uses of energy in your home? For what do you think you use a large amount of energy? For what do you use smaller amounts of energy?</li> <li>• What can people do to use less energy in the home? Are there areas where you think you could use less energy where you're not at the moment? What are they? Why haven't you started saving in these areas?</li> <li>• What are the most important issues to you when you think about energy use in your home? Spontaneous then prompt on: <ul style="list-style-type: none"> <li>Cost</li> <li>Efficiency</li> <li>Environment/sustainability</li> <li>Any other factors?</li> </ul> </li> <li>• Do you see yourself as a high or low user of energy overall? Why?</li> <li>• Have you ever switched energy supplier? Why?</li> <li>• How easy or difficult did you find the process of changing energy supplier overall?</li> <li>• What were the key things that made the process easy / difficult?</li> </ul>
18.40 -18.50	<ul style="list-style-type: none"> <li>– <b>Quiz: Basic understanding of the GB energy market</b></li> <li>• Energy consumption and environmental questions from the front – discuss answers in teams and vote</li> </ul>

Timing	Item
18.50-19.15	<p><b>BREAKOUT GROUPS: Understanding of current events in the energy market – with a focus on sustainability</b></p> <ul style="list-style-type: none"> <li>• Structure of energy market – table exercise to sort pieces of the jigsaw and facilitator to feedback to the room</li> <li>• Key players in the industry - and who does what sorting exercise in team and <b><i>back to the front for further information on the key players</i></b></li> <li>• Thinking about the energy market very broadly, what do you think has been happening over the past year?</li> <li>• What have you seen in the press / heard people discuss?</li> <li>• <i>NB: Try to move conversation on from just talking about rising prices....</i></li> <li>• Probe: <ul style="list-style-type: none"> <li>• <i>Laws / strategies impacting change (e.g. Low Carbon)</i></li> <li>• <i>Changes to consumer energy goods available</i></li> <li>• <i>Changes to consumer energy behaviour</i></li> <li>• <i>Smart meters</i></li> <li>• <i>Sustainability / environmental issues</i></li> <li>• <i>The need for new / alternative sources of energy</i></li> <li>• <i>Changes to new homes being built</i></li> </ul> </li> <li>• What do you think is going to happen in the market moving forwards?</li> <li>• <b>What</b> are the future risks to our energy supply? Discuss fully <ul style="list-style-type: none"> <li>• <i>Information / education needs</i></li> <li>• <i>Awareness of risks</i></li> </ul> </li> <li>• Introduce <b>Handout 1</b> that looks at suppliers, Government, Ofgem and consumer roles in the market – and how they exist and work together, and how their responsibilities differ</li> </ul>
19.15-19.25	<ul style="list-style-type: none"> <li>• The next session we are going to move into is to talk about sustainable development, before we do, let's flip chart some top of mind thoughts about sustainable development – probe fully the following: <ul style="list-style-type: none"> <li>• <i>What is it?</i></li> <li>• <i>What have you heard / read / do you know about it?</i></li> <li>• <i>What does it encompass?</i></li> <li>• <i>Why is it important?</i></li> </ul> </li> </ul>

Timing	Item
19.25-19.35	<b>BREAK</b>
19.35-19.40	<b>IN PLENARY: INTRODUCE : A short presentation to introduce sustainable development</b> <ul style="list-style-type: none"><li data-bbox="410 468 927 499">• <b>Sustainable development</b> – what is it?</li><li data-bbox="410 512 1385 596">• <b>The basics</b>...e.g. environment, transport etc – what do we need to happen to ensure the needs of the future can be met</li></ul>

Timing	Item
19.40-20.10	<p><b>BREAKOUT GROUPS: Who is responsible?</b></p> <p><b>Outcome of session:</b> to gain an understanding of what consumers think SD means in the context of energy, the key themes, who is responsible for each, and the actions they should take</p> <ul style="list-style-type: none"> <li>• We've just heard about sustainable development – which is a massive topic, so lets just focus on in sustainable development in the context of the energy industry</li> <li>• What do you think sustainable development means in the context of energy?</li> <li>• How does sustainable development impact on energy?</li> <li>• <b>Allow for spontaneous discussion and write key themes / ideas on cards</b></li> <li>• Moderator be sure to probe beyond environmental to social / economic aspects of SD in the energy industry</li> <li>• <b>Introduce handout 2</b> - that introduce what sustainable energy</li> <li>• Probe for reaction to the themes and issues on the handouts, probes.... <ul style="list-style-type: none"> <li>• <i>Lifestyle choices with regards to energy saving – greener houses, individual efforts, visual displays in the home to see the actual energy use of the home)</i></li> <li>• <i>Energy generation – renewable sources / micro-generation</i></li> <li>• <i>Low carbon economy – government targets</i></li> <li>• <i>Fuel poverty – protecting vulnerable consumers</i></li> </ul> </li> <li>• <b>Write new themes / ideas on cards</b></li> <li>• <b>Moderator</b> to then use template on flipchart for the following:</li> <li>• <b>Who</b> should be ensuring a sustainable future for energy?</li> <li>• Moderator note allow participants to come up with their own categories but be sure to probe: <ul style="list-style-type: none"> <li>• <i>Consumers / Government / Ofgem/ Energy Industry</i></li> </ul> </li> <li>• <b>What</b> should they be doing? <i>Actions / costs</i> <ul style="list-style-type: none"> <li>• <i>Fully <b>probe who</b> is responsible for each action written on cards (use blue tac to be able to stick these up on flip chart!)</i></li> <li>• <i>Pull out Ofgem v Government responsibilities ensuring vulnerable customers are covered</i></li> <li>• <i>Pull out consumer v citizen responsibilities</i></li> </ul> </li> <li>• <b>How</b> should they make this happen? <i>Laws / taxes / education</i></li> <li>• Feedback to the floor</li> </ul>

Timing	Item
20.10-20.55	<p><b>BREAKOUT GROUPS: Sustainable development and Ofgem (introduced on tables via handouts)</b></p> <p><b>Outcome of session:</b> to gain reactions on Ofgem’s themes and an understanding of where their responsibility should lie, with a focus on vulnerable customers</p> <ul style="list-style-type: none"> <li>• Ofgems work focuses on five themes (on handouts) <ul style="list-style-type: none"> <li>• <i>Managing the transition to a low carbon economy</i></li> <li>• <i>Eradicating fuel poverty and protecting vulnerable customers</i></li> <li>• <i>Promoting energy saving</i></li> <li>• <i>Ensuring a secure and reliable gas and electricity supply</i></li> <li>• <i>Supporting improvement in all aspects of the environment</i></li> </ul> </li> <li>• Talk the participants through each theme individually: <ul style="list-style-type: none"> <li>• <i>Reactions to each theme one by one</i></li> <li>• <i>Top of mind thoughts</i></li> </ul> </li> <li>• ROTATE START</li> <li>• Themes overall:</li> <li>• Reaction to Ofgem’s themes, any surprises?</li> <li>• How do these themes compare to what we thought was important in our previous discussion? Let’s look at the themes we wrote on cards earlier...</li> <li>• From what we have learnt about Ofgem earlier this evening, are these the kind of themes you would expect from Ofgem? Discuss fully in relation to Ofgem’s powers in the energy market</li> <li>• <i>Add in any themes discussed spontaneously in previous discussion written on cards</i></li> <li>• Lets think about which of these themes are the most important for Ofgem to focus on – discuss spontaneous reactions</li> <li>• Prepare presentation using a template(last 15 minutes) of:</li> <li>• Prioritisation of the themes and why (if themes have been broken down prioritise individual elements), which themes are more or less important for Ofgem <ul style="list-style-type: none"> <li>• <i>For those higher up the list – why should Ofgem be focusing on these areas? <b>What makes them so important?</b></i></li> <li>• <i>For those lower down the list - why are these less important? <b>Whose responsibility is this if not Ofgem’s?</b></i></li> <li>• <i>Full probe placement of protection of <b>vulnerable customers</b> in the</i></li> </ul> </li> </ul>

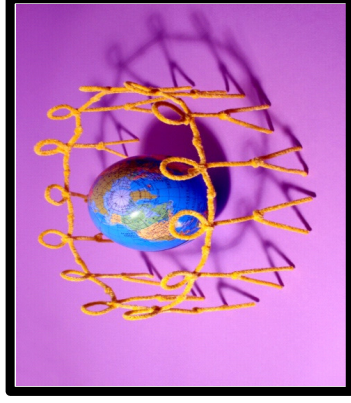


Timing	Item
	<p><i>prioritisation list teasing out Government v Ofgem responsibility</i></p> <ul style="list-style-type: none"> <li>• <b><i>The main impacts of these themes</i></b> (can be positive and negative)</li> </ul> <p><i>Get presentation and presenter ready to feedback to the floor</i></p>
20.55-21.00pm	<p>IN PLENARY: Sum up, thanks and close</p> <ul style="list-style-type: none"> <li>• <i>Presentations</i></li> </ul>

**Energy is important. It is needed to heat and light our homes, cook our meals and for leisure. Business needs it to function.**

**But energy supplies face a future that involves a number of threats, for example.....**

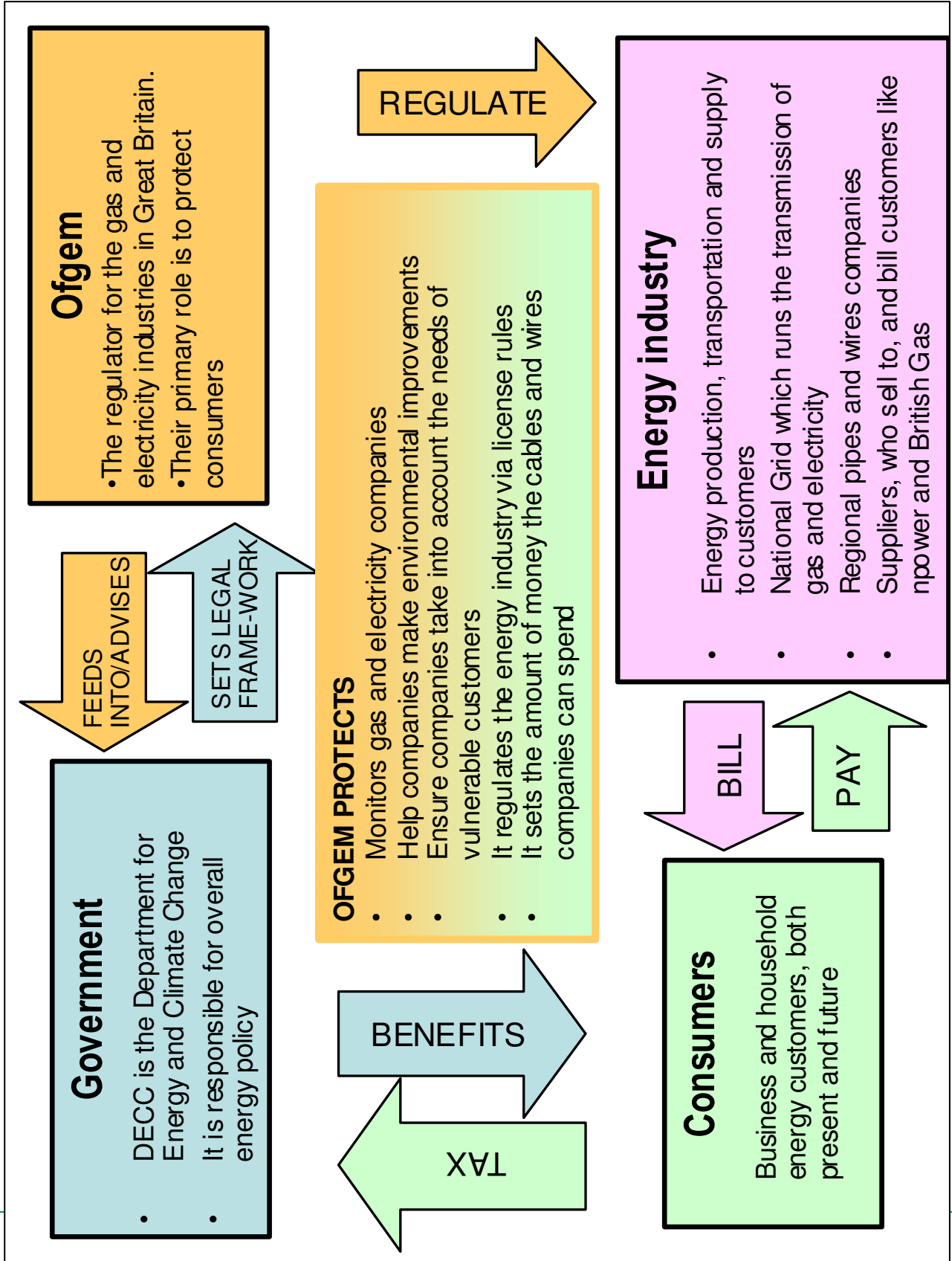
- **The potential of less energy sources in the future** because of the need to reduce carbon emissions and fossil fuels becoming scarce
- **Possibility of higher energy prices** due to the unstable oil prices and the potential higher costs of green alternatives
- **Risks to the security and continuity of energy supplies** due to the difference in the amount of energy produced and the amount of energy used by consumers, the need to replace old cables and pipes and political uncertainty.



**and a number of challenges, for example....**

- The need to ensure everyone can **afford to adequately heat their homes** (e.g. rising energy prices and an elderly population may mean more people struggle to pay their energy bills)
- The need to do **much more to reduce greenhouse gas emissions** – which will be a greater problem to future generations if not tackled now

### 1.3 Roles in the industry Handout



## 1.4 Sustainable energy and Ofgem Handout

### Sustainable development and Ofgem

The Energy Act 2008 gave Ofgem the responsibility to contribute to the achievement of sustainable development for both existing and future customers.

**Ofgem is committed to playing its role in addressing climate change, whilst avoiding unnecessary costs for consumers.**

**It works with Government and the energy market to bring about a sustainable future by:**

- **Influencing debate and persuading the relevant stakeholders to make changes**
- **Providing information and expertise**
- **Ensuring that the energy markets adopt smarter and more innovative ways to operate sustainably**

## 1. Managing the transition to a low carbon economy

Ofgem is working with Government on a number of policy areas to tackle emissions including.....



The Renewables Obligation – this places an obligation on UK suppliers of electricity to source an increasing proportion of their electricity from **renewable sources**

Making it easier for **renewable generation** projects to sell their electricity to the pipes and wires companies (electricity networks)

Developing a regulatory framework for **offshore renewable schemes** (e.g. windfarms)

Encouraging local network operators (the pipes and wires companies) to tackle climate change through **incentives to be more efficient and innovative**

## 2. Eradicating fuel poverty and protecting vulnerable customers

Although the causes of fuel poverty go beyond the energy market, Ofgem works with Government to bring an end to fuel poverty. The Gas and Electricity Acts requires Ofgem to protect vulnerable customers. It does this by...



Placing licence obligations on energy companies to ensure they consider the needs of vulnerable customers

Encouraging best practice among energy suppliers, using research to identify **the best ways to address fuel poverty and help vulnerable customers**

Making it a requirement that suppliers take measures to help **customers make better informed choices about the best tariff for them**

Encouraging the expansion of gas networks to deliver cheaper energy to customers that currently rely on more expensive fuels

### 3. Promoting energy saving

Energy efficiency can deliver reductions in emissions; contribute to a reliable energy supply and help reduce energy costs



Ofgem has helped facilitate and administer the **Government's Carbon Emissions Reduction Target** (CERT requires gas and electricity suppliers to reduce the carbon emissions generated by the domestic customers) and **encourages energy efficiency**

Ofgem are also assisting in the **Smart Metering trials** and investigating how to encourage behavioural change for **households to become more energy efficient**

#### 4. Ensure a secure and reliable gas and electricity supply



Ofgem works to ensure that that cost-effective, reliable energy supplies are always available to consumers



Ofgem does this by placing Price Controls on pipes and wires (Network Companies). This places curbs on expenditure and **places incentives on them to be more efficient and to innovate technically**

Ofgem also works with Government and energy customers to look at the risks that could affect security of energy going into the network and **ensuring consumers always have energy in their homes when they need it**

#### 5. Supporting improvement in all aspects of the environment



Ofgem is working with all stakeholders to ensure that considerations for the environment are included in all decisions

Gas and electricity industries have an impact on the environment through emissions and their impacts on the countryside and communities, for example,



Using more environmentally friendly materials in pipes and wires

Putting electricity cables underground (rather than overhead) in areas of outstanding natural beauty

Reducing the loss of energy from the pipe and wires systems

Encouraging companies to consider the impact of their own carbon footprint, for example, more efficient energy use in their own buildings and the types of cars and vans they use

## 1.5 Post workshop questionnaire

### Ofgem Consumer Panel 2009-10

#### Post-Workshop Questionnaire

We would like your help to evaluate the Ofgem Consumer Panel event you have attended. We would be grateful if you could help us by completing this questionnaire so that we can find out your views.

<b>LOCATION OF WORKSHOP</b>	
<b>DATE OF WORKSHOP</b>	

Q1. Based on your experience, please indicate whether you **Strongly Agree, Agree, Disagree, Strongly Disagree or Neither Agree or Disagree** with each of the following statements (by placing a tick in the relevant box)

PLEASE TICK ONE BOX ON EACH LINE	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither agree or Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't know</b>
a. I enjoyed taking part in the event	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. There was not enough time to fully discuss the issues properly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. The event was well organised and structured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. The information that was given to me was fair and balanced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. The event was run in an unbiased way	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. I think events like this are a good way of consulting the public about services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



- g. I have learned a lot from today's event
- h. I understand how the results of the workshop will be used
- i. I think the Panel is a good way for Ofgem to get feedback from energy consumers

Q2. How would you describe the event you have just taken part in? Please tick all that apply

- |                |                          |                |                          |
|----------------|--------------------------|----------------|--------------------------|
| a) Interesting | <input type="checkbox"/> | e) Boring      | <input type="checkbox"/> |
| b) Enjoyable   | <input type="checkbox"/> | f) Confusing   | <input type="checkbox"/> |
| c) Easy        | <input type="checkbox"/> | g) Informative | <input type="checkbox"/> |
| d) Important   | <input type="checkbox"/> | h) Hard work   | <input type="checkbox"/> |

Q3. What was the best thing about the workshop?

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Q4. What would you have improved about the workshop?

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Q5. Do you have any additional comments?

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**Thank you. Please pass back to your table host**

## 1.6 Detailed recruitment breakdown

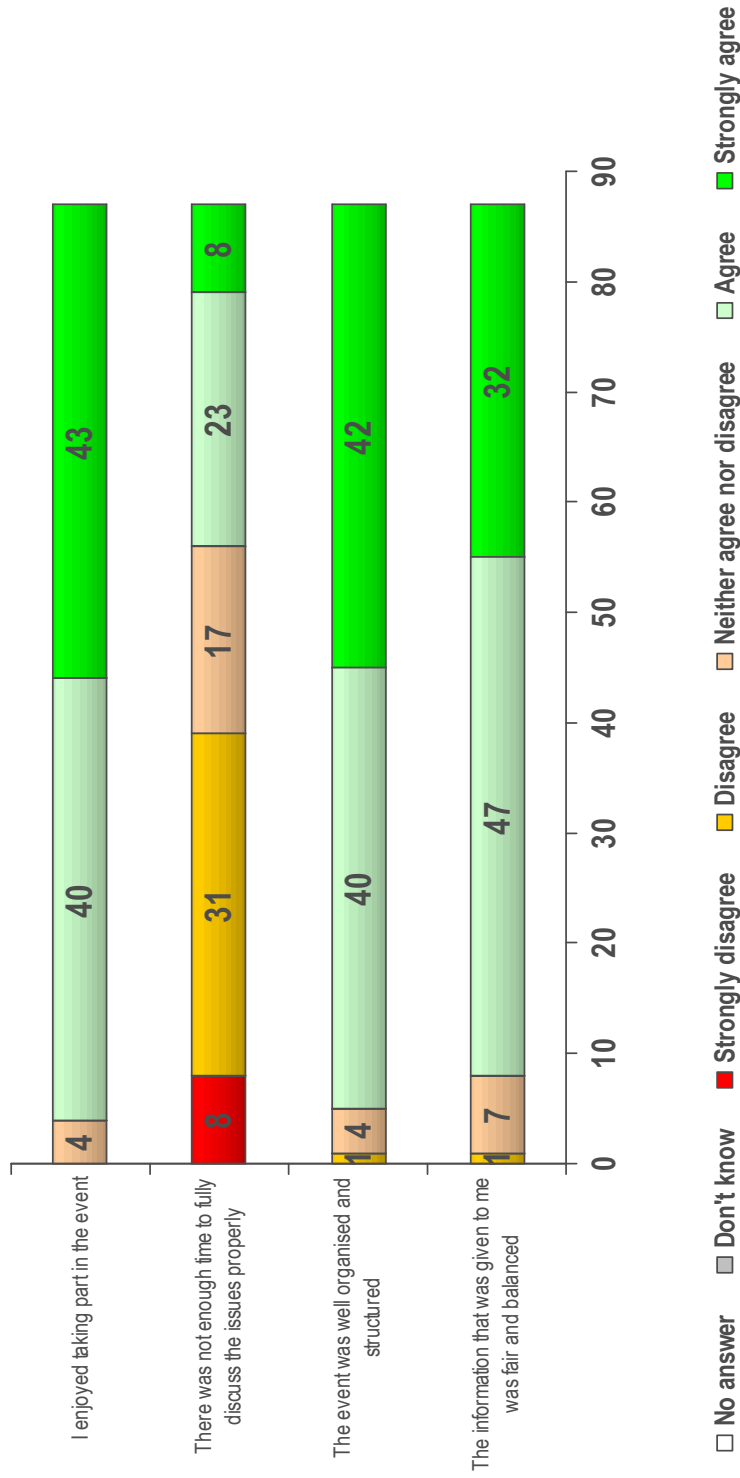
Sample	Target	Achieved
<b>Gender</b>		
Male	55	52
Female	55	45
<i>Total</i>	110	97
<b>Age</b>		
16 – 24	20	17
25 - 44	41	32
45 – 64	32	32
65 +	17	16
<i>Total</i>	110	97
<b>Ethnicity</b>		
White British	95	72
White Other	1	2
Black or Minority Black	24	23
<i>Total</i>	110	97
<b>SEG</b>		
AB	24	18
C1	35	34
C2	24	22
DE	27	23
<i>Total</i>	110	97
<b>Tenure</b>		
Owner occupied	63	53
Social rented	28	23
Private rented	19	21
<i>Total</i>	110	97
<b>Rural vs. urban</b>		
Rural	84	79

Sample	Target	Achieved
Urban	26	18
<i>Total</i>	110	97
<b>Fuel Poverty</b>		
Yes	20	22
No	90	75
<i>Total</i>	110	97

## 1.7 Feedback from Panellists

### Event evaluation

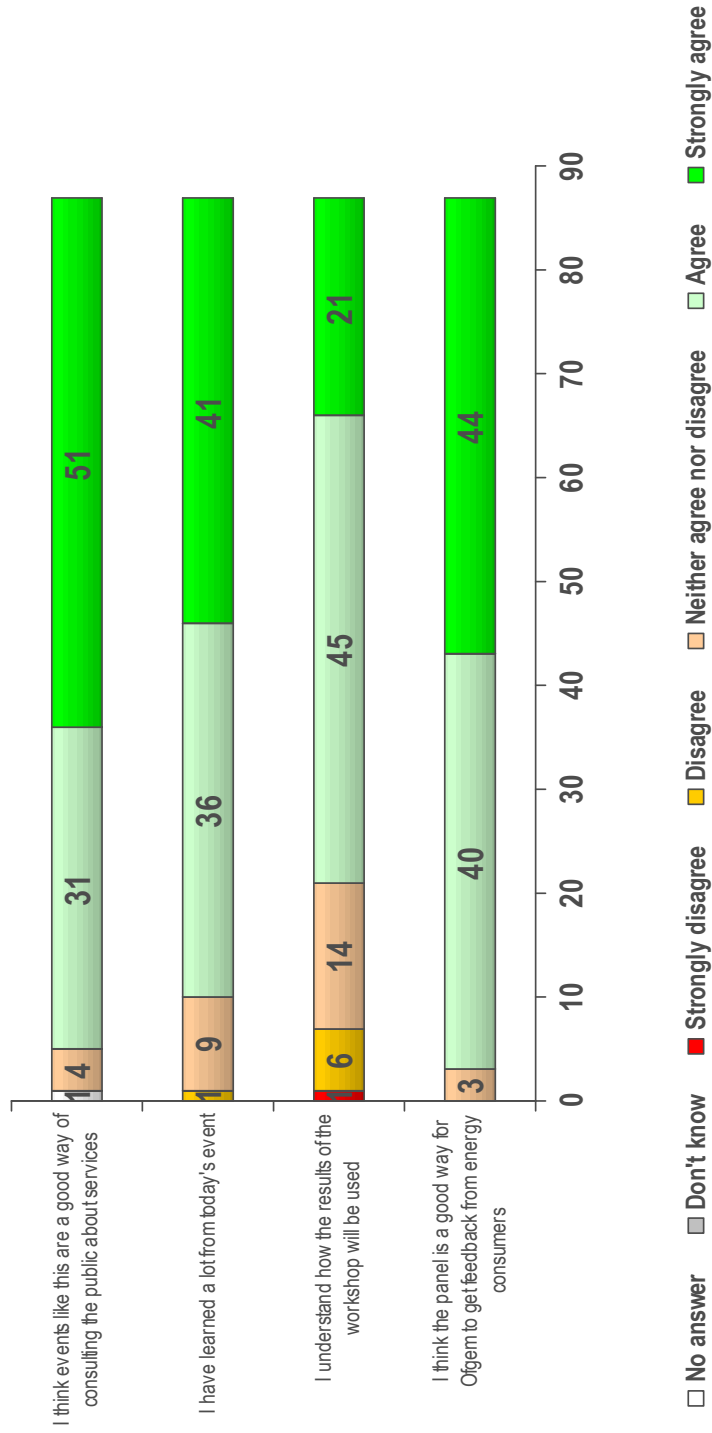
Level of agreement with the following statements:



All forums Base = 87

# Event evaluation

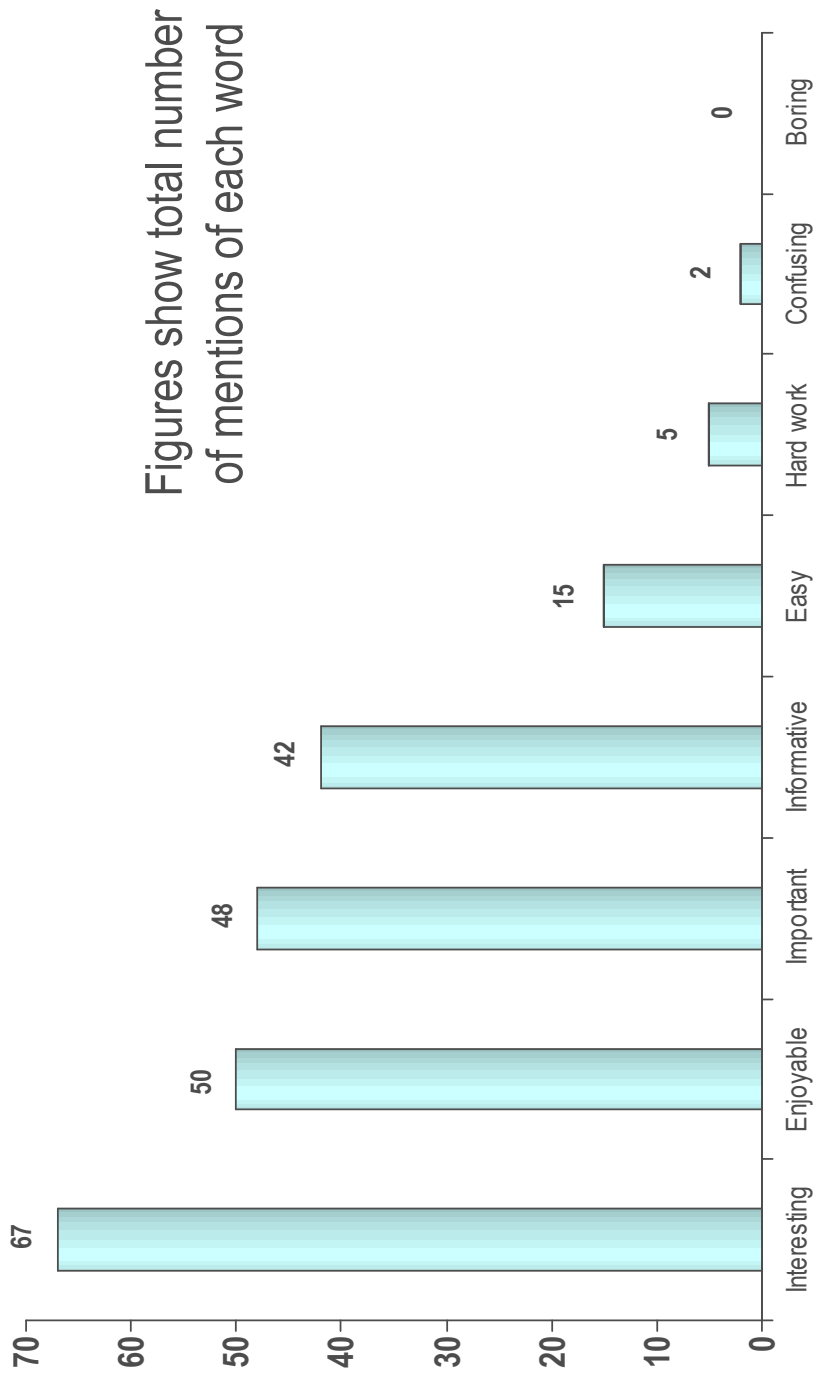
Level of agreement with the following statements:



All forums Base = 87

# Words to describe the day

How would you describe the event you have just taken part in?



All forums Base = 87

## Feedback - quotes

“It was enjoyable and looking forward to next session”  
(Aberystwyth)

“It was good to get my view across and interesting to hear what other people have to say”  
(Bradford)

“It was very informative and now I understand what Ofgem are trying to achieve in the future regarding energy”  
(Bristol)

“Very interesting and informative, staff were extremely friendly”  
(Aberdeen)

“Very informative and I came across things I have never heard or thought of”  
(London)

“(the best things was).. discussing important issues in an informal and friendly environment and hearing the views of others”  
(Aberystwyth)