

Community Energy Saving Project Update

Issue 1 / February 2010

In this half-yearly newsletter, we will provide an update on how the energy companies are progressing against the CESP target as well as on the number of key measures delivered. Because CESP has been in operation for three months and we have only recently gone live with the administration of CESP, this issue provides a brief summary of CESP and introduces the CESP team at Ofgem E-Serve.

CESP facts:

- CESP target is 19.25 Mt (lifetime) CO₂
- Delivery of measures to the most deprived areas in Great Britain
- Incentives for the promotion of solid wall insulation, heat generation technologies, micro CHP and replacement of G-rated boilers
- Incentives for a 'whole house' approach
- Incentives for targeting more than 25 per cent of the properties in an area



From left to right: Charles Hargreaves, Ursula Thorpe, Steve McBurney, Edda Dirks, Gosia Patyjewicz.

What is the Community Energy Saving Programme?

The Community Energy Saving Programme 2009-2012 (CESP) places a domestic carbon reduction obligation on energy companies to help families reduce energy bills.

It will run between 1 October 2009 and 31 December 2012. CESP sets an obligation on energy suppliers with 50,000 or more domestic customers to reduce carbon emissions. Electricity generators who have generated on average 10 TWh/yr or more over three years are also required to meet a carbon reduction obligation, by promoting a range of energy efficiency measures to domestic energy users. The government set the overall carbon

emissions reduction target for CESP at 19.25 million tonnes of lifetime carbon dioxide. Half of this overall target, 9.625 million tonnes of lifetime carbon dioxide, is imposed on the qualifying generators and the remaining half is imposed on the qualifying suppliers.

Under CESP, energy companies have an obligation to deliver energy efficiency measures to the most deprived areas in Great Britain. The eligible areas are defined as those within the lowest income decile under the Index of Multiple Deprivation in England and Wales and the lowest 15 per cent in Scotland.

The energy companies are incentivised to promote solid wall insulation, heat generation technologies and micro CHPs to consumers living in those areas. They are also encouraged to replace G-rated boilers to help reduce carbon emissions from domestic households. CESP has been designed to promote a 'whole house approach', where energy companies receive an incentive for installing multiple energy efficiency measures in the same property. Energy companies are also eligible for an 'area bonus' for targeting more than 25 per cent of properties in a particular area.

CESP publications

The Electricity and Gas (Community Energy Saving Programme) Order 2009 came into force on 1 September 2009. Over the past few months, we have published the following CESP tools to enable energy companies to promote energy efficiency measures to consumers:

- CESP Generator and Supplier Guidance – sets out how we will administer the programme
- CESP Notification pro forma – provides a format for notifications from energy companies

- CESP Bonus Calculator – sets out how bonuses are applied to energy companies' activities
- CESP carbon scores – provides a list of eligible measures under CESP and reductions in carbon emissions and lifetimes associated with these measures

All CESP tools have been published on the Ofgem website:

<http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/cesp/Pages/cesp.aspx>

CESP team contact details



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The contact details for those suppliers with a CESP obligation are available from the Ofgem website:

<http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/Contact/Documents1/CESP%20energy%20company%20contact%20details%20Oct%202009.pdf>