

Community Energy Saving Programme

Update

Issue 3 / September 2011

In this edition of the half-yearly newsletter, we present key trends seen in the CESP activity reported by the obligated energy companies to the end of June 2011.

These figures represent estimated progress reported by obligated energy suppliers and electricity generators and do not constitute fully approved, finalised figures. Final figures, reported for compliance purposes will be submitted by obligated parties after the completion of CESP schemes.

While Ofgem checks the figures to ensure accuracy, this is estimated data and is neither calculated nor reported in the same way as data used to determine compliance with the obligation.

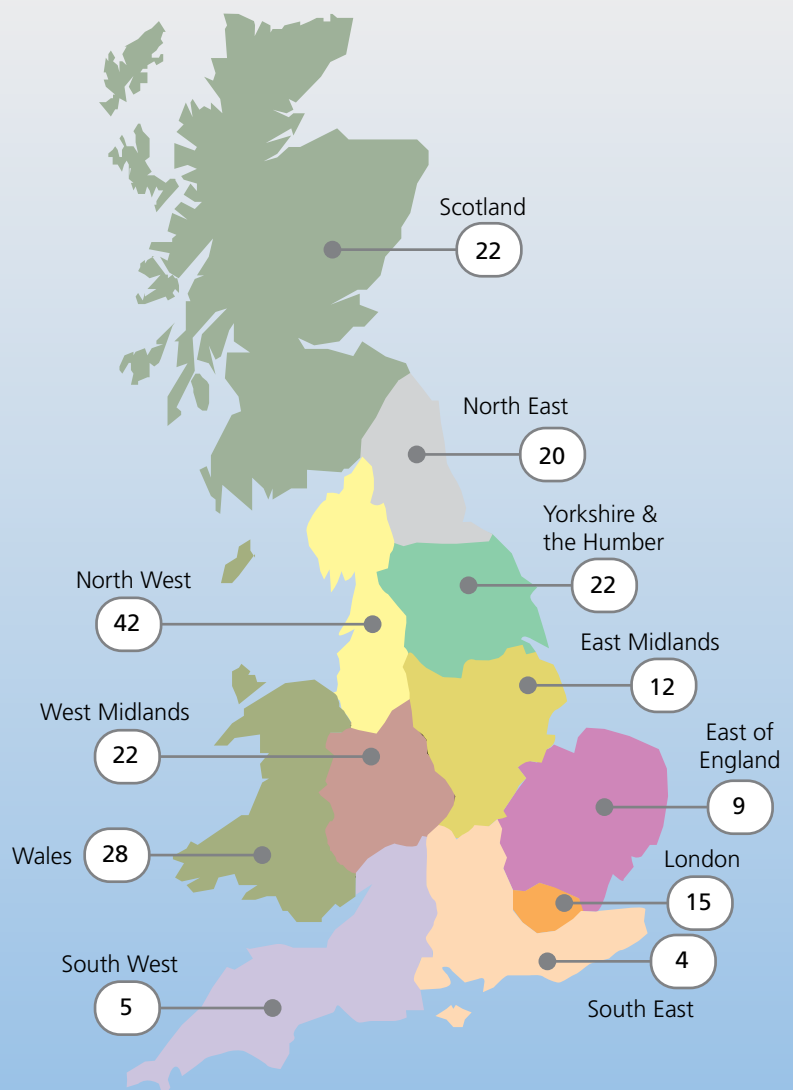
Headlines:

- 201 schemes have been proposed by obligated electricity generators and energy suppliers up to the end of June 2011.
- If all of those proposals came to fruition, they would represent around 50% of the target.
- 92.4% of total savings to date are from obligated energy supplier activity.
- 7.6% of total savings to date are from obligated electricity generator activity.
- 26,112 carbon saving measures have been installed across 12,703 dwellings up to the end of June 2011.
- 1.4 Mt CO₂ (lifetime, including adjustments) emissions reduction achieved in CESP to date. This is equal to 7.2% of the overall CESP target of 19.25 Mt (lifetime) CO₂.

CESP facts:

- The CESP target is 19.25 Mt (lifetime) CO₂, including score adjustments / bonuses.
- CESP requires the delivery of energy saving measures to the most deprived areas in Great Britain.
- CESP provides incentives for the promotion of solid wall insulation, renewable heat generation technologies, micro CHP and replacement of G-rated boilers.
- CESP incentivises a 'whole house' approach, where each dwelling receives more than one carbon saving measure
- CESP incentivises the targeting of more than 25% of the properties in an area.

Chart 1: Total number of carbon saving schemes proposed under the CESP programme in each region of Great Britain



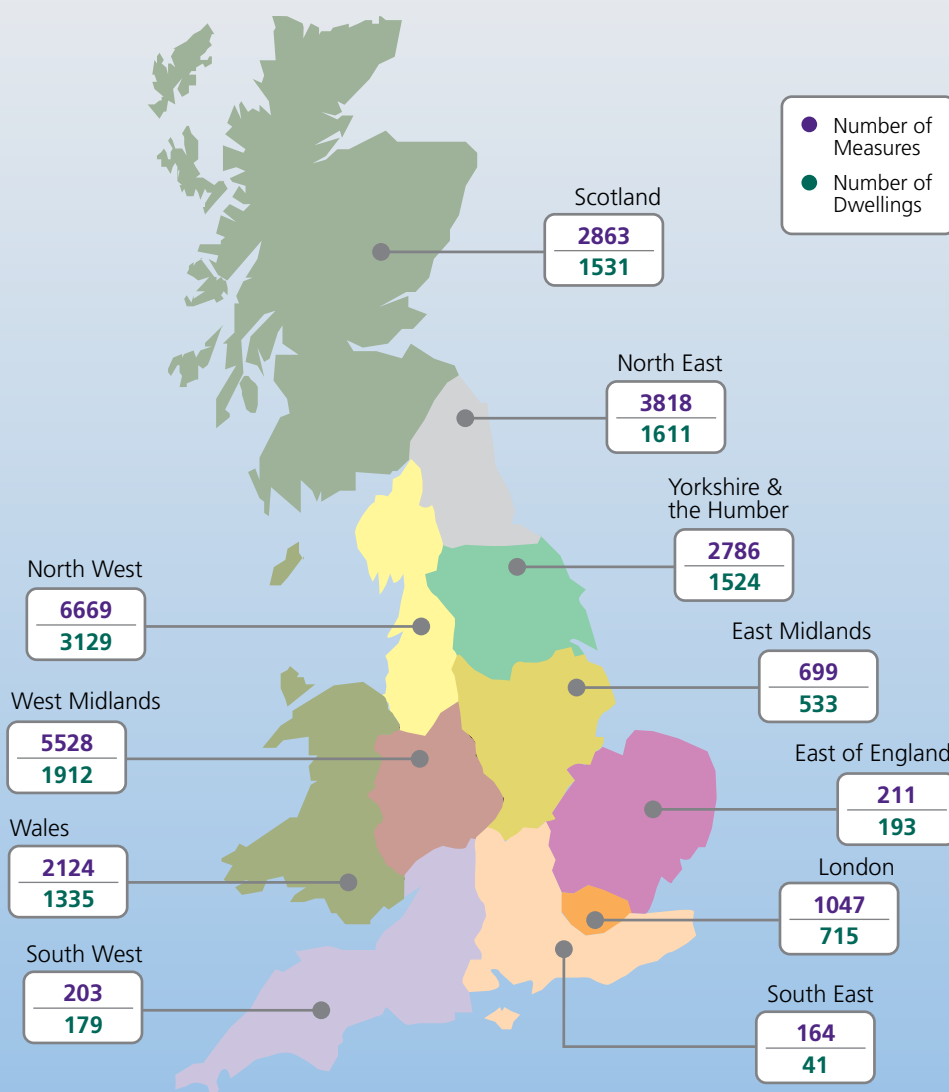
Regional Analysis

Chart 1 (front page) shows the 201 carbon saving schemes which have been submitted under the CESP programme for each of the GB regions up to the end of June 2011.

Chart 2 shows the number of dwellings receiving carbon saving measures and the number of measures which have been installed across each of the 11 GB regions. The North West has seen the greatest number of dwellings treated, whereas the fewest number

of dwellings have been treated in the South East. The difference between the number of dwellings treated and the number of measures installed is a result of the fact that some dwellings may receive more than one installation (e.g. both a heating and an insulation measure). Up to the end of June 2011, 12,703 dwellings have been treated with a total of 26,112 carbon saving measures.

Chart 2: Total number of measures installed and the number of dwellings receiving carbon saving installations under the CESP programme in each region of Great Britain.





Number of Measures delivered

The six obligated energy suppliers and eleven electricity generators are required to submit six-monthly reports detailing their progress in delivering a range of measures - the data represents cumulative estimated installations.

Table 1

	Measure Type	Number of Measures
Insulation	Cavity wall insulation	453
	Loft insulation	2,185
	Internal solid wall insulation	293
	External solid wall insulation	6,367
	Draught-proofing	1,024
	Glazing	3,091
	Flat roof insulation	37
Heating	Replacement boiler	4,681
	Heating controls	5,512
	Fuel switching	1,588
District Heating	District heating (connection to)	150
Microgeneration	Heat pumps	135
	Solar thermal	208
	Solar PV	388

Table 1 shows the total number of measures delivered by obligated parties to the end of June 2011. While Chart 2 shows the number of dwellings treated, this table provides a more detailed indication of activity to date and includes all measures.

These figures represent estimated progress from approved and unapproved schemes, reported by obligated energy suppliers and electricity generators twice a year, and do not constitute fully approved, finalised figures.

26,112 CESP measures have been installed up to the end of June 2011, of which 45.1% are conventional heating measures and 51.5% are insulation measures. The most prevalent individual measure installed is external solid wall insulation, accounting for 24.4% of all installations to date; this may be as a result of the incentive placed on installing solid wall insulation.

Carbon Savings Achieved

The six obligated energy suppliers and eleven electricity generators are required to submit six-monthly reports estimating their progress towards achieving their individual CESP obligations. The data represents the cumulative volume of carbon emissions saved up to the end of June 2011 under the CESP programme.

Chart 3 shows the proportion of total carbon savings achieved under CESP split by measure type. The chart does not include any adjustments to the carbon savings, such as the addition of whole house bonuses, adjustments for promotion of certain measure types, or bonuses for installing measures in more than 25% of dwellings within an area.

The chart gives a clear indication what proportion of carbon savings are attributed to each measure type.

The highest proportion of carbon savings to date is from insulation measures (59.5%), with heating measures accounting for 36.7% of savings.

Chart 3: Total unadjusted carbon savings by measure type

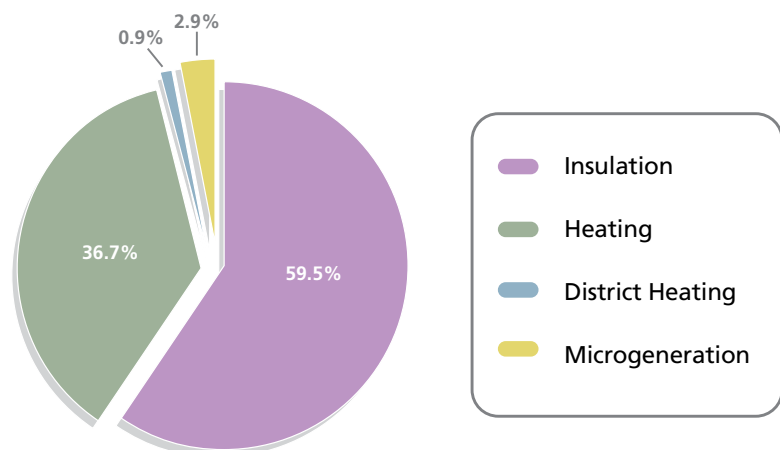
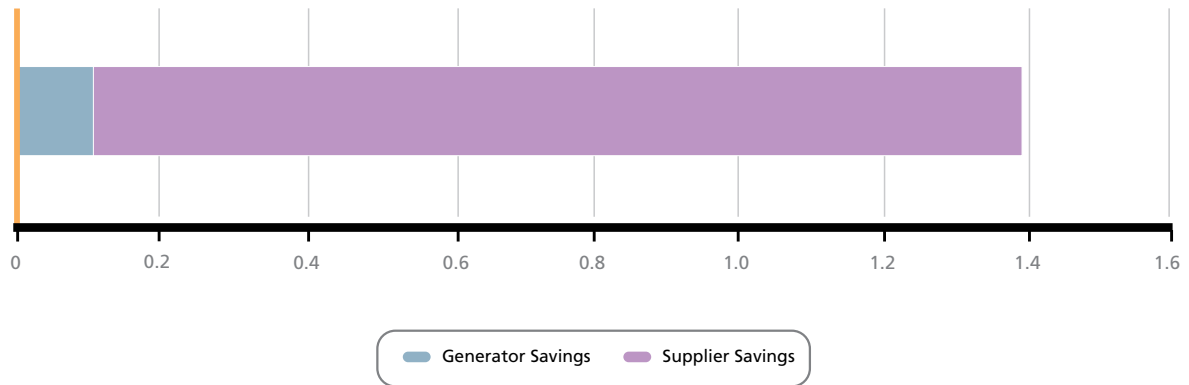


Chart 4: Total carbon savings (million tonnes CO₂, adjusted)



Including adjustments and bonuses, to date, 1.4 Mt CO₂ savings have been achieved towards the CESP target of 19.25 Mt CO₂. **Chart 4** shows the way that these savings are split between obligated generators and suppliers.

The majority of savings to date (92.4%) are as a result of supplier activity, reporting total carbon savings of 1.3 Mt CO₂. This compares to total reported savings of 0.1 Mt CO₂ from generator activity, accounting for 7.6% of all savings under CESP.

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For more information on CESP, please email CESP@Ofgem.gov.uk or visit our website www.ofgem.gov.uk/cesp. The website contains the contact details for those suppliers with a CESP obligation.