

Community Energy Saving Programme Update

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Issue 4

Headlines:

- 304 schemes have been proposed by obligated electricity generators and energy suppliers up to the end of December 2011. The estimated savings associated with these schemes represent 67.9% of the overall CESP target.
- The total number of dwellings treated increased from 12,703 at the end of June 2011 to 30,588 by the end of December 2011.
- Estimated 2.9 Mt CO₂ (lifetime, including adjustments) emissions reduction achieved in CESP to the end of December 2011. This is equal to 15.3% of the overall CESP target of 19.25 Mt CO₂.
- 58,931 carbon saving measures have been installed across 30,588 dwellings up to the end of December 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 December 2011.

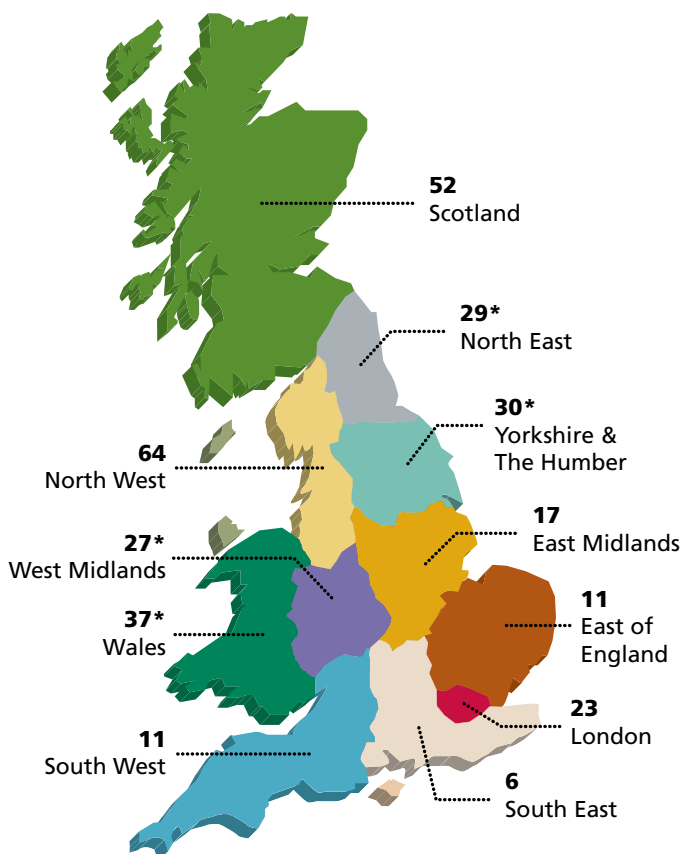
These figures represent estimated progress reported by obligated energy suppliers and electricity generators and do not constitute fully approved, finalised figures. Final figures, reported for compliance purposes, will be submitted by obligated parties after the completion of CESP schemes.

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.

Chart 1: Total number of the CESP scheme proposals in each region of Great Britain

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.



*One of the schemes is to be promoted via one social housing provider across multiple regions.

Regional Analysis

Chart 1 (front page) shows the 304 carbon saving schemes which have been submitted under the CESP programme for each of the GB regions up to the end of December 2011. The overall number of proposals increased by 51.2% since June 2011. The highest increase can be observed in submissions for Scotland where 30 new schemes have been proposed. The North West, to date, has received the highest number of CESP scheme proposals.

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 UK regions. The total number of dwellings treated increased from 12,703 at the end of June 2011 to 30,588 by the end of December 2011.

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

The North West has seen the greatest number of dwellings treated, whereas the fewest number of dwellings have been treated in the South West. The difference between the number of dwellings treated and the number of measures installed is a result of some dwellings receiving more than one installation (e.g. both a heating and an insulation measure).

Across all regions 32,819 new carbon saving measures have been installed, with a total of 58,931 measures installed to date.

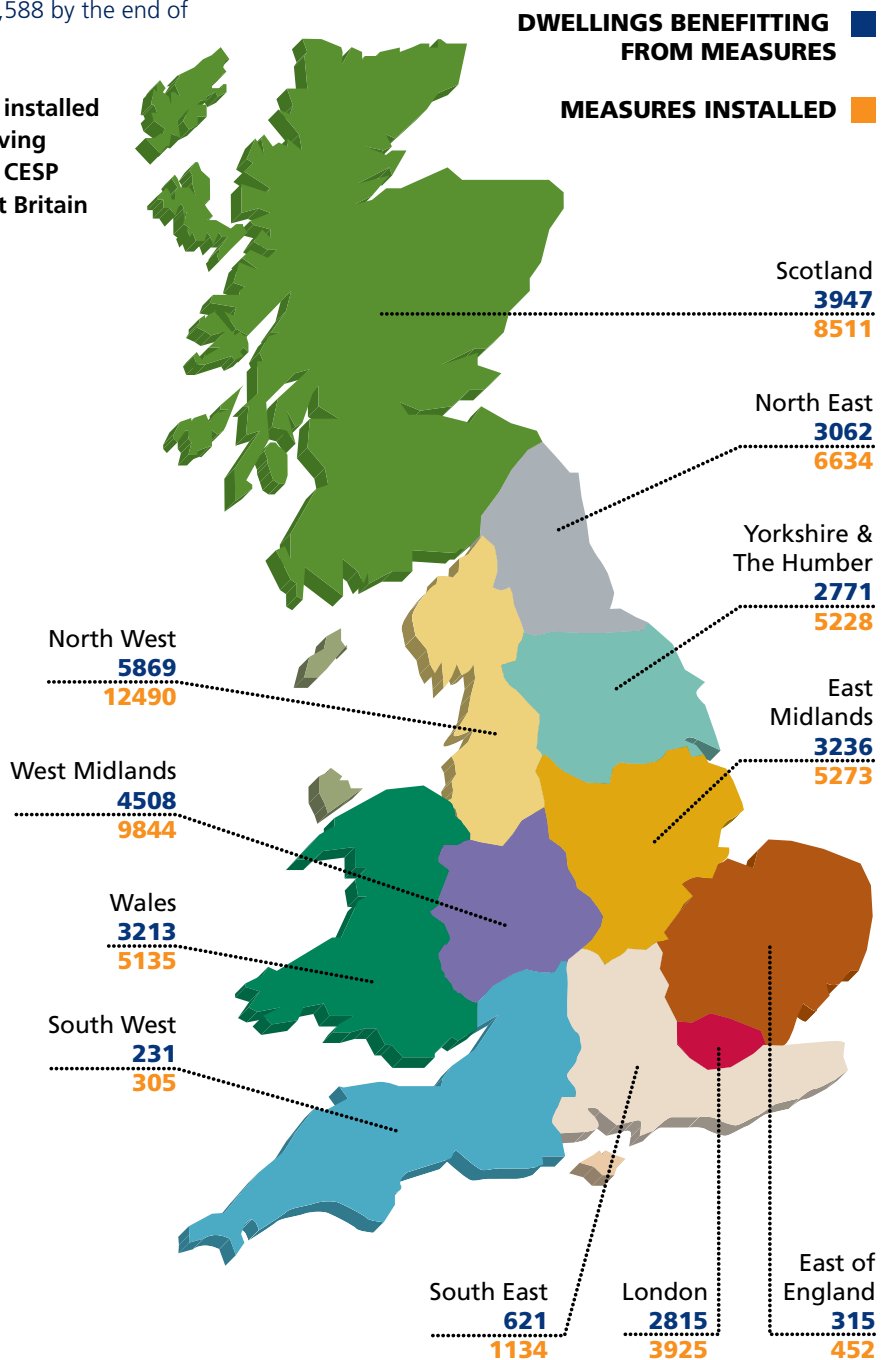


Table 1

Measure type	Measure	Number of Measures
Insulation	Loft insulation	5,220
	Cavity wall insulation	1,163
	Solid wall insulation (internal)	976
	Solid wall insulation (external)	11,409
	Draught-proofing	1,386
	Glazing	5,635
	Flat roof insulation	37
Heating	Replacement boiler	9,954
	Heating controls provided with a new heating system	13,219
	Fuel switching	3,129
District Heating	District heating (connection to)	1,813
	District heating (upgrade)	3,188
	District heating meter for individual house billing	50
Microgeneration	Heat pump	316
	Solar water heater	287
	Photovoltaic panel	1,149
Total		58,931

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 shows the total number of measures delivered by obligated parties to the end of December 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 installed.

58,931 CESP measures have been installed up to the end of December 2011, of which 44.6% are heating measures and 43.8% are insulation measures.

Solid wall insulation and heating controls (when installed with a new heating system) are the most prevalent measures promoted to date.

Carbon Savings Achieved

The six obligated energy suppliers and eleven electricity generators are required to submit six-monthly progress 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 December 2011 under the CESP programme.

Chart 3: Total unadjusted carbon savings by measure type

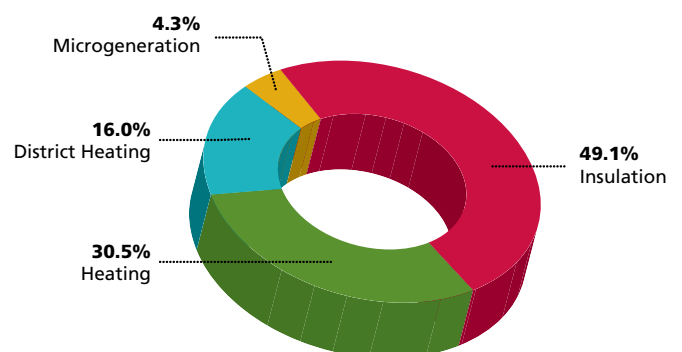


Chart 3 shows the total carbon savings achieved under CESP split by measure type. The above chart does not include any adjustments to the carbon savings, such as the addition of whole house bonuses, adjustments for promotion of certain measure types, or a bonus for installing measures in more than 25%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

(continued overleaf)

(Carbon savings achieved continued)

Insulation remains the most prevalent measure type accounting for 49.1% of carbon savings, followed by heating measures contributing to 30.5% of overall carbon savings.

The proportion of savings attributed to these measures has decreased from last reporting period by 10.4 percentage points for insulation and 6.2 percentage points for heating measures, whilst the percentage of savings from district heating increased significantly from 0.9% to 16%. Also the proportion of carbon

savings attributed to microgeneration measures increased to 4.3% from 2.9% reported in last period.

Including adjustments and bonuses, up to the end of December 2011, 2.9 Mt CO₂ savings have been achieved towards the CESP target of 19.25 Mt CO₂.

More detailed progress on the CESP activity up to the end of December 2011 will be provided in the CESP Annual Report, which is to be published in May 2012.



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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.