

FUEL POVERTY & ENERGY EFFICIENCY



NEWSLETTER - MARCH 2017

POLICY UPDATE



Ofgem prepayment cap

Four million customers on prepayment energy meters are expected to save around £80 a year after a price cap was announced by energy regulator Ofgem. The temporary price cap, which comes into effect in April, was one of the measures recommended by the Competition and Market Authority after its two-year investigation of the energy market.



Energy price freeze?

Conservative MPs supported by some cross party colleagues have made representations to Business Secretary Greg Clark calling for energy prices to be capped at six per cent above the cheapest deals. The Government's work in this area may well build on the original intentions behind the Better Markets Bill, a piece of legislation announced in the 2016 Queen's Speech which has yet to materialise on the Parliamentary agenda.

This Bill, proposed under the auspices of the old Department for Business, Innovation and Skills, was described as a means of improving competitiveness and opening up markets so as to empower consumers. With a special focus on energy prices, it included proposed measures on switching periods and consumer redress in regulated sectors.



MPs debate the benefits of smart meters

Smart meters would allow consumers greater control over, – and access to data on, – their energy usage, MPs discussed in parliament in early February.

Responding to a debate on smart metering for electricity and gas, Climate Change and Industry Minister Nick Hurd said it was important to update this significant part of the country's infrastructure.

“Almost five million customers now have smart meters, and the economic analysis continues to suggest that they will have a net benefit of £5.7bn. We do not obfuscate about that in any way, and that analysis is regularly updated”, he added.

The Minister cited evidence from British Gas surveys that suggested consumers with smart meters could save 3% on their bills.

He added that Smart Energy GB was working with organisations including Citizens Advice, National Energy Action, the National Housing Federation and Age UK to ensure vulnerable customers had access to advice about and throughout the rollout.



Supplier price review

British Gas has announced they will freeze their current gas and electricity prices until August 2017. The company said it was able to hold tariffs in the face of higher wholesale prices by cutting its costs.

It has also been announced that ScottishPower is putting its prices up by 7.8% or £86 per year for gas and electricity from 31st March 2017. 1.1 million dual fuel customers' bills will go up from £1,081 to £1,167 a year.

This news followed the controversial announcement that npower will raise standard tariff electricity prices by 15% from 16 March, and gas prices by 4.8%. A typical dual fuel annual bill will rise by an average of 9.8%, or £109.



Lords debate environment and Brexit

The House of Lords EU Energy and Environment Sub-Committee has claimed that membership of the EU has had a 'fundamental' impact on environmental legislation in the UK and that withdrawal from the EU will affect 'nearly every' aspect of the UK's environmental policy. It also adds that the government's Great Repeal Bill – the piece of legislation which will bring all existing pieces of EU law into the UK statute book when the UK leaves the EU – will aid stability, but noted that it is 'far from clear' whether it will be comprehensive.



Downstream oil

Heating oil prices have risen by 33% in a year, revealed Which? The average cost of a litre of heating oil was 43p in January 2017, but at the same time last year it was considerably cheaper, at 32p. These average figures from Sutherland Tables, which collects pricing information from across the UK, show how much the price of heating oil can fluctuate.



BEIS committee hears from Ofgem and Energy UK

The Business, Energy and Industrial Strategy Committee have held a session questioning Ofgem and Energy UK about competition in the UK energy market.

The Committee examined the factors that can influence energy price changes and whether Ofgem has adequate powers to intervene in response to increases that it sees as excessive. The session also focused on the extent to which increasing competition on the supply side of the market and other measures can help to overcome the reluctance of many customers to switch supplier.

The session follows recent announcements of price increases by npower, Scottish Power and EDF Energy. Witnesses included:

- Lawrence Slade, Chief Executive, Energy UK
- Audrey Gallacher, Director, Retail Energy Supply, Energy UK
- Dermot Nolan, Chief Executive, Ofgem

- Rachel Fletcher, Senior Partner, Consumers and Competition, Ofgem



Funding in Scotland

First Minister Nicola Sturgeon has announced a new £11million funding pot to improve energy efficiency in Scotland's homes and businesses.

The second wave of Scotland's Energy Efficiency Programme (SEEP) pilot fund will help local authorities test new and innovative energy-saving approaches with households, community groups and businesses, which can then be taken forward when SEEP is rolled out fully in 2018.



Energy bill levies

The Government has said it is considering the future of the Levy Control Framework, the mechanism for controlling the costs of energy schemes funded via consumer bills, and will set this out at the Spring Budget 2017.



Fuel Poverty Awareness Day

National Energy Action (NEA) has issued new analysis highlighting an estimated 2 million children across England are living in cold homes this winter. NEA issued the warning on Fuel Poverty Awareness Day and is calling on the Chancellor to use the forthcoming budget to help people across the UK who are unable to live in a warm and healthy home.

Many thanks to all FPEEG members and supporters who supported Fuel Poverty Awareness Day on Friday 17th February. Owing to the efforts of many contributors, there were many awareness raising events up and down the country, a multitude of resources created to support households, and it trended on Twitter for most of the day.

For those seeking more information a range of resources are available on National Energy Action (the fuel poverty charity's) advice page www.nea.org.uk/advice including a practical guide to help MPs, local authority councillors and advice workers for

casework sessions in the [Fuel Poverty Action Guide](#); steps to help households manage their energy bills and keep homes warm in [Your Home Energy Checklist](#); while those involved in planning, developing and delivering their own community fuel poverty activities may also use NEA's [Community Action on Fuel Poverty](#) site, produced in partnership with British Gas.

Please contact [Ben Sayah](#) if you require any more information on Fuel Poverty Awareness Day, or would like to know more on resources available to help households in fuel poverty.



Spring Budget

On Wednesday 8 March Chancellor Philip Hammond will deliver the Spring Budget.

Set to fall just before the Government takes its first decisive step in the Brexit process - the Chancellor's statement will seek to respond to pressing fuel poverty matters, including NHS and social care funding, energy prices and the ongoing smart meter roll out.

GROUP NEWS



Key dates

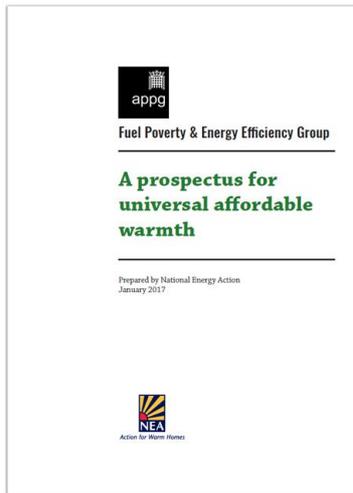
FPEEG are currently planning three public events before the summer recess on a variety of subjects. While the precise dates are not yet available we would be grateful if you would register these periods for future notice, and get in touch if the topics are of any particular interest to you.

- **Mid-April:** FPEEG Meeting on PPM vulnerable consumer protections in the energy market.
- **Early June:** Joint FPEEG/APPCOG meeting on Carbon Monoxide protection and enforcement

Please contact the [secretariat](#) should you have a personal or

professional interest in the planning of these events so we can update you with plans.

RECENT REPORTS



FPEEG Report: A Prospectus for Universal Affordable Warmth

FPEEG will continue to promote actions within our recently launched 'Prospectus for Universal Affordable Warmth'. The report includes information directed to all MPs and agencies delivering affordable warmth by:

- championing existing best practice fuel poverty-alleviating schemes
- outlining measures that help everyone better heat their homes while revising how present success can be expanded
- guiding MPs of benefits they can bring to reduce fuel poverty, and drawing ways alleviation can be expanded to any constituency
- recommending changes to government that supports best practice scheme expansion

The report highlights a number of recommendations that should be taken forward to ensure that we can tackle the cold homes crisis in the UK.

For more information on the report contact [Ben Sayah](#).

IN THE NEWS

Government criticised over transparency of energy schemes

[BBC News](#)

Government intervention has led to higher energy bills, claims Lords report

[The Guardian](#)

British Gas worst-value tariffs are not 'evil empire', boss says

[The Guardian](#)

Ofgem reduces National Grid's spending allowances for its transmission price controls

[Ofgem website](#)

£104m to heat Wales' most vulnerable households

[Government Opportunities](#)

Fuel Bank helps 300 children (print only)

The National (Scotland) (Main), 24/02/2017, p.16, Kirsteen Paterson

The UK-wide initiative, which runs in partnership with the Trussell Trust and National Energy Action, launched its first Scottish project in the south east of Glasgow in July.

Electricity pricing is confusing – and that's why they're using it to mislead us

[The Guardian](#)

Fuel poverty soars in the sixth richest economy in the world

[London Economic](#)

Gas and electricity prices may have to rise further, warns industry body

[The Guardian](#)

42% of Northern Ireland homes 'believed to be in fuel poverty'

[Derry Now](#)

British Gas to launch 100 million pound customer loyalty scheme

[Reuters](#)

Councils to offer cheaper energy tariffs to residents

[Energy Live News](#)

Local grid owners must be more flexible to meet demand

[Ofgem website](#)

All Party Parliamentary Fuel Poverty and Energy Efficiency Group

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The FPEEG secretariat is provided by NEA

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