Energy services Directory

A guide for local authorities, housing associations and community groups

Updated: January 2007

Acknowledgements

This is an updated version of the energy services Directory that was produced in 2001 and previously updated in June 2004. This version was published in January 2007.

The original version was produced by the Association for the Conservation of Energy, the Energy Saving Trust and Nottingham Community Housing Association. It was designed just for housing associations. This updated version is designed to be relevant to local authorities, housing associations and community groups. This version was updated by Impetus Consulting Ltd, as managing agents of the Energy Saving Trust’s Energy services support programme.
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1.0 How to use the Directory

After this initial section, the Directory is divided into three chapters.

| 2.0  | Introduction to energy services | What are energy services?  
This explains what is meant by energy services in more detail.  

Types of scheme  
Explains the types of scheme that have been identified and the features of each.  

Benefits of energy services schemes  
Advantages and disadvantages of different schemes summarised in a table for easy reference.  

How to sell energy services  
Puts energy services into the business context and helps you to identify what benefits they bring to your organisation and residents. |
| 3.0  | Developing an energy services scheme | Taking action  
How to set up different energy services schemes  

Developing a project from start to review  
Key steps in developing a scheme.  

Which approach?  
What do you need to do in order to determine your strategy? This gives tips and worksheets to help you decide.  

Developing partnerships  
Who do you need to work with? What are the pros and cons of partnerships in energy services schemes? What type of partnership works best for you? Problems and opportunities.  

Funding and support  
Identifies funds from several initiatives. |
| 4.0  | Useful contacts | Provides contact details for organisations working on energy efficiency improvements, energy suppliers and information providers, as well as a glossary. |
1.1 Assumptions about the audience

This Directory is written for local authorities, housing associations and community groups that could provide energy services to public and private sector residents.

The clients of those organisations will vary hugely and will need to be taken into consideration. The authors have aimed to make it accessible to all and to highlight situations common to all types of organisations. A variety of case studies have been used; it is hoped these will also help to guide varied approaches suited to different organisations.

The organisations likely to provide energy services also vary greatly. They cover a variety of types, including profit-making, non-profit making, charitable and trust status, amongst others. Therefore, it should be accepted that this Directory is not able to cater for every situation.

Some of the legal situations differ between Northern Ireland, Scotland, England and Wales. These have been highlighted but we advise that all legal matters be checked with your own advisors.

1.2 Hyperlinks

This Directory has been designed to be used online and so includes hyperlinks to other relevant documents. For those using a printed version of the Directory, web addresses for the hyperlinks are provided in footnotes.
2.0 Introduction to energy services

Chapter 2 of the Directory takes you through the key elements of energy services, from what is involved in each type of scheme, to the benefits and costs of each approach and how to sell the idea to your management and tenants or residents.

<table>
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<th>What are energy services?</th>
<th>A basic introduction to energy services. Details of what they are and how they can help you meet your objectives.</th>
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| Types of energy services schemes | A comprehensive listing of the types of energy services schemes that local authorities, housing associations and community groups can set up, their main characteristics and the advantages and disadvantages of each approach. There are also clear links to relevant case studies and further information. The approaches detailed in this section are:  
  ➢ Preferred supplier partnerships/affinity deals.  
  ➢ Housing energy club.  
  ➢ An energy supply scheme.  
At the end of this section there is a summary table showing the key features of each type of energy services approach and a short note on the key legal issues that should be considered when setting up an energy services programme. |
| Benefits of energy services schemes | The advantages and disadvantages of each approach are compiled in a single table for easy reference. |
| How to sell energy services | This section shows how energy services can help you deliver your strategies, policies and programmes, for example, affordable warmth. It also provides a step-by-step guide to securing management and resident approval for your scheme, including:  
  ➢ A suggested format for gaining management approval.  
  ➢ Getting the feasibility study accepted.  
  ➢ Selling it to the residents (what to do, who to do it with and what to say). |
2.1 What are energy services?

2.1.1 Energy services
Energy services address the fact that people in their homes or places of work need energy to provide particular services – heating, lighting and powering appliances, such as televisions, computers or refrigerators. Consumers are not necessarily interested in the actual energy that they consume.

There is no strict definition of the term ‘energy services’. However, it broadly refers to the supply of a specified level of heat, light, motive power or appliances. An ‘energy services package’ would generally include:

- The appliance necessary to deliver the service such as a light bulb or heating equipment.
- The financing to purchase it.
- The expertise needed to maintain the equipment.
- Advice to operate it properly.
- The energy required to operate it.

Most people unknowingly assemble their own energy services packages. In doing so they might purchase a central heating boiler outright or make other financing arrangements such as taking out a bank loan, extending their mortgage or entering into a leasing agreement. They may need technical advice to identify the correct type and size of boiler and the technical expertise to connect it to their central heating system. Thereafter they will need to identify the best deal on the competitive gas supply market and transfer their contract to the new supplier. Lastly, they will have to arrange regular maintenance of their boiler, either through a maintenance contract or on a call out basis.

In practice, there may be problems with any one of the actions in this chain. For example, most people are unable to predict when their existing boiler will breakdown irreparably and are therefore forced into purchasing a replacement when they have a desperate need for heating. As they need to make a quick decision and generally do not have any specialist financial or technical expertise, they may not be able to:

- Get the best deal or package in financing and fuel supply.
- Select the right type or size of boiler.
- Have the confidence to assess and select an appropriate installer.

Furthermore, they may not have the time to continually monitor the competitive energy supply market for the best deal. Also household budget constraints may mean that maintenance contracts are not followed through.

2.1.2 The energy services ideal
In order to overcome the difficulties outlined above, consumers could turn to energy services organisations or companies (ESCos). Such organisations have the expertise to identify the necessary mix of measures, including improvements to thermal insulation, to produce an optimum energy services package and arrange for the installation and maintenance of those measures. They can also identify the best financing package and gas supply deal.

Overall, the customer is able to transfer the risks of assembling, maintaining and delivering the energy services package to the energy services organisation. The organisation, in turn, has the necessary time and expertise to manage that risk. Furthermore, because the customer only pays the organisation for the energy services package and not its individual components, the organisation has an incentive to assemble the package in the most effective and efficient way possible in terms of capital equipment, fuel input and labour.

2.1.3 Social housing energy services
For providers of social housing (housing associations and local authorities), energy services schemes are a tool that can help deliver adequate heat, light and power via the most economical route, and by both socially and environmentally acceptable means.
Measures implemented through an energy services scheme can range from services that landlords will offer their tenants (e.g., installation of loft or cavity wall insulation, replacement of heating systems and energy advice) through to measures that tenants can be encouraged to implement themselves such as installing an energy efficient appliance, and making low or no cost energy improvements. In addition, partner organisations can be brought in to supply other aspects of an energy services package such as an affinity deal with an energy supplier, an energy advice hotline at the local energy efficiency advice centre (EEAC), or a low interest loan package with a local credit union.

This means that energy services can form a key role in delivering key strategies related to managed housing, such as an affordable warmth strategy and/or community strategy. It will also help social housing providers meet relevant housing standards in each nation.

In addition to assisting in the achievement of social targets, energy services can also assist in reducing overheads and in managing properties more effectively.

2.1.4 Energy services for private sector housing
Private sector households also benefit from becoming part of an energy services scheme. Residents can benefit from energy efficiency advice, may be able to make use of a loan scheme for measures and ideally, can have the cost of energy use and measures detailed on one bill. Local authorities benefit from private sector energy services schemes as increased energy efficiency throughout the area assists the local authority in achieving their HECA targets, as well as working towards affordable warmth and sustainable development strategies in the area.

2.1.5 Components of an energy services scheme
This section gives an overview of the two components that should be included in any energy services scheme: energy advice and the provision of measures to improve energy efficiency.

Energy advice
Energy advice is a necessary part of any energy services scheme and is one of the simplest ways of getting started on an energy services path. Offering energy efficiency advice is a vital component of any energy services scheme because without it, the effectiveness of energy efficient measures and appliances will be much diminished.

The basic concept is to offer residents advice and information on how to take straightforward steps towards improving the energy efficiency of their homes. This can be achieved via simple routes, e.g., information leaflets that are distributed to all new tenants on low or no-cost methods of improving their energy efficiency, or a regular information slot in a tenants’ newsletter offering seasonal tips for energy efficiency. More complex set-ups could include a hotline number (perhaps, for social housing, in conjunction with maintenance and repair departments) offering advice and help or an official link with the local energy efficiency advice centre\(^1\) (National EEAC network – 0800 512 012) again offering a dedicated energy efficiency advice service.

Energy efficiency improvements
Energy efficiency improvements are also a key component of any energy services scheme as they are designed to systematically improve the energy efficiency of properties through the installation of appropriate measures. These can include:

- Energy efficient lighting.
- Draught stripping.
- Thermostatic heating controls.
- Cavity wall insulation.
- Top-up loft insulation.
- Energy efficient boilers.

\(^1\) The energy efficiency advice centres: [http://www.est.org.uk/myhome/localadvice/](http://www.est.org.uk/myhome/localadvice/)

Loft insulation is one of the most cost effective energy efficiency measures.
The capital investment to carry out these installations can be funded by residents (either immediately or through a low or no interest loan scheme offered by the energy services company) or provided by external funds such as the energy suppliers’ Energy Efficiency Commitment (EEC) schemes. For a briefing note on EEC, please click here. See the section on funding for further information.

The energy efficiency of properties is measured through energy rating schemes. Details are provided in Box 1.

**Box 1: Energy rating schemes**

The Standard Assessment Procedure (SAP 2005) is the government’s single national methodology for calculating the energy rating of dwellings as required by the EU Energy Performance of Buildings directive. It gives a rating based on calculated annual carbon dioxide emissions associated with lighting, space and water heating. A SAP rating is required for all new build dwellings and those that are undergoing significant material alteration (such as the addition of an extension to the dwelling). All social landlords are required to submit average SAP figures for their regions so that the Government can monitor the amount of energy used, and associated carbon emissions, from domestic dwellings in the UK. The rating is on a scale of 1 to 100 where 1 is “very poor” and 100 is “excellent”. Dwellings can achieve a rating of up to 120 if they are a net exporter of energy. Reduced Data SAP (RDSAP) and SAP are the means for calculating the energy performance rating to be displayed on energy performance certificates. For more information on SAP and the new Part L1 Building Regulations in England and Wales, please click here. For more information on energy performance certificates and the EU Energy Performance in Buildings directive, please click here.

EcoHomes is the homes version of BRE's Environmental Assessment Method (BREEAM). EcoHomes assesses the performance of dwellings in a variety of areas including energy use, building materials and transport. Credits are awarded in each area according to performance. A set of environmental weightings then enables the credits to be added together to produce a single overall score. The building is then rated on a scale from ‘pass’ to ‘excellent’, and a certificate awarded that can be used for promotional purposes.

The National Home Energy Rating (NHER) is a scheme run by the National Energy Foundation assesses dwellings on a scale of 1 to 10, with half scale increments. A new version of the NHER will be introduced in the near future. It will model lights and appliances more accurately, and its scale will also be extended from 0 to 20.

### 2.2 Types of energy services schemes

This section gives an overview of the three types of energy services schemes that can be developed:

- Preferred supplier arrangement/affinity deal.
- Housing energy club.
- Energy supply scheme.

The energy supply scheme describes several different types, and all three categories are illustrated in the table below. Examples are included, with full case studies provided in the case study section of the Energy Saving Trust website.

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2.2.1 **Preferred supplier schemes (also referred to as affinity deals)**

Preferred supplier relationships are one of the most popular starting points for developing energy services schemes. The Energy Saving Trust has developed a comprehensive guide to setting up affinity deals, which can be accessed [here](http://www.est.org.uk/uploads/documents/housingbuildings/agwv.pdf).

The local authority, housing association or community group can use its position as an “honest broker” to market the preferred supplier to residents. In return it receives a commission from the utility for every new customer that it signs up. The revenue generated from preferred supplier schemes is usually ring fenced and used to fund energy efficiency improvements, either offered as a package to the houses that have signed up to the deal – or in the most vulnerable homes identified. For information on the benefits to the supplier of a preferred supplier agreement, please see Box 2.

### Box 2: What are the benefits of a preferred supplier relationship for the supplier?

By understanding what partners will gain from an alliance, organisations setting up energy services schemes will be better placed to sell the scheme to residents. The benefits for the suppliers are:

- A good opportunity for recognised, supported promotion in a specific area.
- An approach that usually results in customers who are more likely to stay with the supplier (because of the landlords’ endorsement).
- A more constructive and effective use of marketing and sales budgets than door-to-door selling, which is not good for the industry’s image.
- A more proactive approach to the market, working with partners for the good of the community.
- A way to link the sale of energy to energy efficiency activities, which can help suppliers to meet their own social and environmental objectives as well as commercial targets.

It is also worth bearing in mind that with the advent of the new EEC (in 2008) energy suppliers will have larger energy efficiency targets than ever (for further information see the [funding section](#)). They will be actively looking for partners who can help them to meet these targets.

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A starting point for many preferred supplier schemes is a social landlord automatically signing up all void properties to that supplier. This raises revenue via the commission payments paid by the supplier, which can be used to improve the property. The incoming tenant can change supplier after 28 days (see Box 4 on Ofgem’s trial waiver of the 28-day rule), but many suppliers are still willing to pay a commission, which suggests few new tenants choose to change supplier. Once the scheme has been established in this way, it can then be extended to the private sector.

2.2.2 Home energy club

This type of scheme is an extension of the preferred supplier/affinity deal. A local authority, housing association or community group appoints an energy supplier that they consider to be offering the best value on overall service (such as price, measures and advice). The organisation works with the supplier to ensure delivery of a ‘package’ of energy supply plus energy saving measures and energy efficiency advice to tenants and/or local residents. The supplier often agrees to offer customers preferential access to grants as well as a dedicated energy efficiency helpline. Ideally, this approach will include a loan or finance to help fund the measures.

The most likely arrangement is that the organisation setting up the preferred supplier partnership administers the arrangement (in some cases through a newly formed company). An ideal set-up would provide the householder with a single bill that details the expenditure per month on energy and efficiency measures. This

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<th>Box 3: Tariff optimisation</th>
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<td>Since the liberalisation of the domestic energy supply market in 1998/99, domestic customers have been able to select their energy supplier and take advantage of the difference in cost between suppliers. While choosing the cheapest supplier does not contribute to increasing energy efficiency, raising awareness of the deals available can increase residents’ awareness of costs, before moving on to an energy services scheme. When setting up a preferred supplier scheme, it is useful to compare the costs of potential supplier partners, to ensure that the scheme offers the best deal possible. Energywatch provides a database that allows consumers to compare supplier costs. Click here7 to access this database.</td>
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<th>Box 4: Trial waiver of the ’28-day rule’</th>
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<td>The freedom of the individual householder to switch energy supplier at short notice has been cited as a barrier to establishing energy services schemes. Having selected a supplier, a consumer has to give only 28 days notice that they intend to switch suppliers (the ’28 day rule’). To address this issue, Ofgem is running a pilot to test whether suspending the ’28 day rule’ results in a boost to energy services take-up and whether consumers can be adequately protected without it. The two-year pilot was launched in May 2004. For more information on the pilot, click here8.</td>
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<th>Case study example 1: Preferred supplier scheme in Aberdeen</th>
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<td>Aberdeen City Council operates a preferred supplier arrangement with ScottishPower for the supply of gas and electricity to empty Aberdeen City Council homes. With the income generated from the arrangement (around £60,000 a year), the Council has established a loan fund, which is offered to owner-occupiers who live in difficult to heat houses, cannot afford to keep warm and fall outside the usual funding programmes. The income is also used to fund measures in the homes of very low-income council tenants. Click here9 for the full case study.</td>
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method of billing demonstrates the impact of energy efficiency measures on reducing fuel costs, and clearly illustrates how the expenditure on measures can be offset against energy savings.

**Case study example 2: HELPCO**

The Greater London Energy Efficiency Network (GLEEN) operates a community energy club using a preferred supplier arrangement with ScottishPower. The supplier provides ongoing funding by paying a commission for every new customer signed up, plus an ongoing commission based on a percentage of their customers' total annual bill. GLEEN is responsible for billing the customers and this bill is accompanied by energy efficiency advice. The scheme also offers finance packages for energy efficiency measures. Click [here](#) for the full case study.

**Summary – advantages and disadvantages of a preferred supplier scheme or home energy club**

**Advantages:**
- Income can be generated with each property signed up.
- In terms of void properties, it avoids the need to keep a record of the supplier chosen by the tenant for each property and ensures there is no break in the supply when the property is reoccupied. It also avoids liability for the payment of standing charges for short-term voids where there is no consumption of fuel.
- If the ideal can be achieved, a separate energy supplier will handle billing of energy efficiency improvements and energy, and residents will get a good combined deal on energy efficiency improvements and energy supply.

**Disadvantages:**
- Householders are tied to one supplier for a set period and during this time the tariff may not stay competitive.
- Income from the scheme depends on the number of residents signing up so marketing and promoting the scheme is required.
- Currently it is very difficult to find an energy services company ready to handle the billing and potential liability problems on its own.

2.2.3 Energy supply scheme

Through obtaining the relevant license (see Box 5 for more information on licensing) organisations can supply power directly to householders. By offering their services as an energy supply company they can help residents optimise their energy usage by reducing fuel costs (through advice and measures) and offer a single billing system for energy and efficiency measures.

Private companies (eg housing associations) should find it straightforward to become direct energy suppliers; local authorities have historically faced a number of legal obstacles. However, the power of well-being included as part of the Local Government Act 2000 and the Scotland Local Government Act 2003 now makes it easier for local authorities to supply gas and electricity directly to consumers. For information on this, see ‘local authorities and the power of well-being’ in the ‘legal issues’ section below. However, at the time of writing, there are no known examples of local authorities or housing associations taking this approach.

**Box 5: Ofgem guidance on licensing**

The Electricity Act 1989 as amended by the Utilities Act 2000 requires any company wishing to supply electricity in the UK to obtain a license issued by Ofgem unless the activity is exempt. Ofgem offers a number of resources to assist organisations that wish to apply for a supply licence. They are:
Summary – advantages and disadvantages of direct energy supply

Advantages:
- Cost effective purchase of energy for all households supplied.
- Depending on the arrangement (eg single bill), there is also the opportunity to offer energy efficiency improvements as part of the direct energy supply service.

Disadvantages:
- It requires formal company administration, which can be time consuming to set up.

Direct supply – combined heat and power (CHP)
The direct energy supply approach can also be met through the development of a CHP scheme. CHP schemes are a good way of using the energy involved in a combustion process that generates electricity. This is because electricity generation is not particularly efficient and produces heat as a by-product. In many commercial generation arrangements, the heat is wasted, hence the need for the vast cooling towers seen at power stations but if this heat can be used locally, it can be made available to heat buildings and hot water systems.

A CHP scheme is generally designed as a unit that provides district heating plus electrical power to a number of buildings in close proximity, or a single large block. In the 1960s, district heating systems received very bad publicity. Although some of them did work effectively and still do, bringing benefits to their neighbourhoods, many were inefficient, unreliable, and unable to be controlled on an individual household basis. Modern CHP systems no longer have these problems.

When developing a CHP scheme, it is necessary to calculate the size of plant needed to provide the level of heat and/or power appropriate to the needs of the system, and to know whether heat or power is the most important driver. The designer of the system then needs to ensure that there is a viable route for any excess heat or electricity, and how to supplement the system when there is greater demand than the system can provide.

CHP systems used in an energy supply scheme will be designed for multiple buildings, or Houses in Multiple Occupation, including hostels, blocks of flats, or sheltered accommodation. Local authorities, housing associations and community groups need to decide whether, in their situation, they need to accommodate the maximum heating requirement, and export additional electricity not used by the buildings attached to the system, or to optimise for the expected electrical load, and add heating capacity with a standard boiler arrangement or by point heating. Community heating – a guide, is available here. Although it has been

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12 Ofgem information packs for new entrants to the electricity supply market:

13 Ofgem electricity supplier licence application handbook:

14 Ofgem gas supplier licence application handbook:

15 Ofgem application handbook for a generation licence:

16 Community heating – a guide:
written for housing professionals, it is a good source of information on CHP for anyone interested in installing and operating a CHP energy services scheme.

Micro-CHP or domestic CHP, a unit of CHP designed for a single house, is in the process of being developed. The units are being designed to be the same size as a standard domestic gas boiler, and at least as easy to use. Micro-CHP technology is still in development and field trials are underway using natural gas. The two companies that are conducting these trials are Microgen (part of the British Gas group – click here¹ for further information) and Powergen (under the brand name 'Whispergen', click here² for further information).

Funding for micro-CHP and larger scale CHP projects involving renewable energy may be available through the DTI's Low Carbon Buildings Programme. For further information, click here³. For information on the regulatory framework that affects direct energy supply using CHP, please see the section on 'legal issues' below.

Case study example 3: Electricity generation – CHP: St Pancras Housing Association

The St. Pancras Housing Association established a CHP generator in two of its housing blocks in 1995. It was developed to support two objectives of the Association:

- Primarily to reduce the tenants' costs.
- Achieve objectives set down in its environmental policy.

The case was presented to tenants as an alternative to simple boiler replacement that would be just as efficient at providing the heating and electricity but have the added benefit of lowering their bills. Some tenants now pay less than £20 per quarter for their electricity. Annual carbon dioxide savings stand at around 275 tonnes.

In addition, the CHP system also supplies commercial premises on the ground floors of both of the blocks. This helps to meet costs and balance the loads on the generator. Click here⁴ for the full case study.

Case study example 4: Electricity generation – CHP: Tower Hamlets and Barkantine

When the heating systems in the Barkantine housing estate needed to be replaced, the flats were initially to be given individual heating systems but these would have had high running costs and a significant environmental impact. Instead, the London Borough of Towner Hamlets, in consultation with the tenants, decided the best option would be to install a communal heating network fired by a CHP unit. This would enable hot water to be generated as well as electricity and to give the dual benefits of cheaper heating and cheaper electricity supplies.

The community heating and 1.45 Megawatts electric (MWe) CHP unit provides energy services to over 500 homes, the local school and the leisure centre.

The revenue funding for the scheme comes from heat and electricity sales, avoided maintenance costs, refunds on distribution charges, revenue support from the Department of Communities and Local Government (formerly known as the Office of the Deputy Prime Minister) based on a Private Finance Initiative Credit and fees paid by the education and leisure services for the supply of heating and electricity.

Click here¹ for the full case study.

³ Information on the DTI’s Low Carbon Buildings Programme: http://www.lowcarbonbuildings.org.uk/home/.
Summary – advantages and disadvantages of a CHP scheme

Advantages:
- CHP delivers the energy services of heat and power to tenants, usually at a reduced rate.
- It reduces CO₂ emissions and offers the potential for increased income that can be reinvested in energy efficiency measures.

Disadvantages:
- It requires significant capital outlay, planning and operational time.
- The properties targeted for CHP must be in close proximity.
- With such a disruptive change tenants may be difficult to win over, and careful negotiating with all affected parties is required.

Renewable energy
There are two basic types of renewable energy-based energy services companies (ESCos). One generates and sells energy then uses the proceeds to fund energy efficiency measures in the local community, whilst the other produces an energy service and distributes it to the local market.

To fund energy efficiency measures, a renewable energy-based ESCo can either be set up to sell electricity to an energy supplier that then sells it on to its customers, or can sell its output directly to a local source of demand such as a factory, office or group of dwellings. Depending on the local demand for electricity, the renewable energy-based ESCo may also have an agreement with a supplier or other organisation to sell excess electricity to the grid. As well as excess electricity, there will be times when some technologies do not produce very much electricity. Some renewable sources vary the amount of energy they produce and this is termed intermittency. Intermittency of supply could have a financial impact on the company but also could be detrimental to local customers. Appropriate sizing of any development is key to solving the intermittency problem.

The service aspect of this type of renewable energy-based ESCo comes when the profit from the electricity sold is used to improve the energy efficiency of the homes of people who have some connection with the renewable energy-based ESCo. These may be people who live near the renewable energy generator, such as a wind turbine or micro-hydro system, or a group of people who collectively own the renewable energy-based ESCo. These people can then benefit from lower fuel bills and warmer homes.

In most cases, renewable energy-based ESCos that sell an energy service to the local market, will use biomass to generate heat, either for a single large building or for several smaller buildings via a community heating scheme. (The supply of heat is an energy service and because heat cannot be transported long distances it needs to be used locally.) This method of heat supply means that consumers just pay a single charge for a unit of heat rather than paying separately for a boiler, plumbing maintenance, fuel supply and so on.

Biomass can be used to create heat in a boiler but can also produce heat and electricity in a CHP generator. Biomass CHP technology is not yet widely used and the infrastructure is not fully developed so many renewable energy-based ESCos use wood-fired boilers to produce heat only. The supply of both electricity and heat from a single generator takes the concept of energy services one step further because theoretically, when combined with the supply and maintenance of appliances, it can provide all the energy services that a consumer will demand.

There is clearly scope for biomass to replace natural gas, landfill gas or municipal solid waste as a CHP fuel and therefore allow renewable energy-based ESCos using larger generators to be created. However, because of the nature of the technology available and the embryonic size of the UK’s energy services market, most current renewable energy-based ESCos are relatively small in size, although plans for large scale systems based on biomass CHP are well underway.

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Summary – advantages and disadvantages of a renewable energy services company

Advantages:
- It can combat fuel poverty in households.
- The fuel is carbon neutral.
- It does not rely on non-indigenous fuel supplies.
- Money is kept circulating within the UK and local economy if the company is based in the community.

Disadvantages:
- As with CHP schemes, significant outlay, planning and operational time are required. However these commitments can be much smaller than for CHP schemes.
- Variable output or intermittency may have an impact on customers and the company’s finances.
- Infrastructure may not be in place for technologies such as biomass.

The following table summarises all the case studies. Please click on the case study name to access a copy of the full case study.

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<td><strong>Preferred supplier partnership schemes</strong></td>
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<td></td>
</tr>
</tbody>
</table>
| HelpCo                                                 | Community group        | ➢ Energy supply partnership with ScottishPower.  
 ➢ Supplier pays a commission for every new customer signed up, plus an ongoing commission based on a percentage of customers’ total annual bill.  
 ➢ Direct debit tariff offered to all customers irrespective of payment method chosen.  
 ➢ Single bill detailing energy and measures expenditure sent out from HelpCo.  
 ➢ Financial packages offered for energy efficiency measures.  
 ➢ Ongoing advice and promotion of energy efficiency appliances and practices. |
| Aberdeen City Council’s preferred supplier scheme      | Local authority        | ➢ Energy supply partnership with ScottishPower.  
 ➢ Commission payments to LA used as a loan fund for energy efficiency measures for Aberdeen’s fuel poor, including owner-occupiers, and to fund measures for very low income tenants.  
 ➢ Void council properties signed up.  
 ➢ Same cost of fuel regardless of payment type.  
 ➢ Energy efficiency advice from the EEAC. |
| Energyextra                                             | Ten housing associations and one local authority | ➢ Separate energy services company formed.  
 ➢ Energy supply through ScottishPower with a full range of payment methods.  
 ➢ ScottishPower funded measures.  
 ➢ Dedicated energy efficiency advice line for tenants.  
 ➢ A benefits health check advice line. |
| fenESS – Enabling energy efficiency and energy supply through energy services | Local authority | ➢ Energy supply partnership with Scottish and Southern.  
 ➢ Commission payments used as a fund for energy efficiency measures (either loan or fully funded).  
 ➢ Energy efficiency advice from the EEAC.  
 ➢ Subsidised energy efficiency products from supplier.  
 ➢ Void social housing properties signed up.  
 ➢ Available to owner-occupiers too. |
| **Switch on – Wiltshire Wildlife Trust** | Community group | ➢ Green energy supply partnership.  
➢ An energy club through the EEAC that provides advice and discounted measures to members. |
| **Age Concern and Powergen: offering energy services to older customers** | Community group | ➢ Supply of gas and electricity by Powergen – competitive prices and equal rates for each type of payment.  
➢ Free energy efficiency advice and energy information.  
➢ Basic measures offered including low energy light bulbs.  
➢ Cold weather payments.  
➢ Customer service helpline to ‘real’ operator. |
| **Flagship housing association** | Housing association | ➢ Energy supply partnership with Manweb (now part of ScottishPower).  
➢ Estimated savings of £50,000. |

**Direct supply -CHP**

| **St Pancras Housing Association** | Housing association | ➢ Pre-existing subsidiary company set up the scheme.  
➢ Tenants’ costs reduced by 10 per cent.  
➢ No standing charge for supply, thus encouraging energy conservation. |
| **London Borough of Tower Hamlets’s Barkantine CHP project** | Local authority | ➢ Separate energy services company.  
➢ Communal heating systems provided via London Electricity Services.  
➢ Annual income to LA from different sources. |
| **Woking Borough Council’s Thameswey joint venture project** | Local authority | ➢ Separate energy services company.  
➢ Energy supplied to residents for less than they used to pay.  
➢ Energy efficiency advice.  
➢ Discounts and loans for measures. |
| **The development of community heating in Southampton** | Local authority | ➢ Competitively priced energy supplied to a mix of residential, business and community buildings. |

A special marketing campaign was designed for the fenESS scheme.

### 2.2.4 Legal Issues

**Direct supply – CHP: Regulatory framework**

The supply of heat to consumers, either from CHP or renewable sources such as solar thermal, is not subject to regulation by the energy regulator. However, organisations wishing to supply electricity have to comply with the terms of the Electricity Act 1989, as amended by the Utilities Act 2000, and regulations made under that Act. Ofgem enforces compliance with this legislation and licence conditions. This section aims to provide an overview of the legal issues.
Licensing of the generation, distribution or supply of electricity is a complex area requiring tailored legal advice. Whilst Ofgem is responsible for electricity licensing, exemptions from licensing requirements, which are permitted under the Electricity Act 1989, are the responsibility of the Department of Trade and Industry (DTI). These exemptions are designed to free relatively small operations from licensing requirements, whilst being limited to a level that does not adversely affect the total electricity system or large numbers of domestic consumers. Exemptions are customarily made by class, and the class regime is set out in a Statutory Instrument (2001/3270) that came into force in October 2001. It is for operators to determine whether they meet the terms of this regime. The Electricity Act also permits the Secretary of State to grant individual exemption, and a number of such exemptions has been granted to generators within the 50-100 MW range.

**Generation**
New generators generating more than 50 MW of electricity must hold a generation licence. Below this level, the generator is exempt from this requirement. Operators of new plant in the 50-100 MW range who wish to be exempt from licensing requirements must apply to the DTI for individual exemption. In Northern Ireland, the threshold is 10 MW.

**Supply**
The organisation will be exempt from the need to hold a supply licence below a threshold of 5 MW of electricity. However, within this limit there is a further limit of 2.5 MW on supplies to domestic customers. There are restrictions, set out by Ofgem, on the price that may be charged for electricity provided by exempt suppliers to domestic consumers. These link the price to that of the local in-area supplier.

Residential energy services schemes with private wire networks are exempt from the need to hold a distribution licence below a threshold of 2.5 MW. This figure is cumulative across networks owned by the distributor or associated bodies. This is extended to a further 1 MW if the generating source is CHP embedded within the private network.

Information on the requirements for supply, distribution and generation licences is available from Ofgem (see Box 5 above). In practice, most community-based energy services organisations would be below the exemption threshold or would be operating in partnership with an energy company holding a relevant licence.

The obligations for exempt suppliers are considerably less onerous. These are covered in some detail in the Combined Heat and Power Associations’s ‘New Practice Report 113: Selling CHP electricity to tenants’ (click [here](http://www.chpa.co.uk/dei/npr113.pdf) to access this document). Briefly, they are as follows:

- If the energy services organisation includes local authorities or housing association housing, the tenants must be consulted on the proposals and have their agreement. In doing so, it is valuable to allow tenants access to independent advice so that they can understand and consider the options open to them.
- The organisation must register the unique supplier number for each of the premises to be supplied with the Public Electricity Supplier Registration Service.
- The organisation must have a top-up and standby agreement with a licensed supplier in order to protect the customers’ security of supply.

There are also a number of other issues to be addressed as follows:

- Distribution of electricity.
- Meters and billing.
- CHP and the Climate Change Levy.

**Distribution of electricity**
There are three options for distributing electricity to customers:

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1 New Practice Report 113: Selling CHP electricity to tenants: [http://www.chpa.co.uk/dei/npr113.pdf](http://www.chpa.co.uk/dei/npr113.pdf)
Renting the wires:
The local cabling network is the property of a local distribution company, which is usually owned by the local Distribution Network Operator (DNO). You can rent passage for your electricity to reach your customers by paying this company a distribution use of system (DUOS) charge. All distribution companies are obliged to publish their DUOS charges and they are not permitted to discriminate between suppliers. Taking this route also necessitates the installation of metering to provide the basis for the DUOS charges.

Buying the wires:
You may be able to purchase the wires from the DNO. They are not obliged to sell it to you and will usually only consider doing so when the cabling network is wholly contained with a building such as a tower block or estate. The purchase price will be a matter for negotiation.

Installing new wires:
It is also possible to install a new cabling network.

It should also be noted that there is a Maximum Resale Price for re-supplying gas or electricity to a domestic customer that has already been bought from an authorised supplier. Ofgem has set this as being the same price as that paid by the person reselling it, including any standing charges.

Case study example 5: Woking Borough Council’s Thameswey Project
Private wire enables green electricity to be sold directly to the customer and avoids transmission and distribution charges and electrical losses through the national grid/distribution networks. The project comprises 1.46 MWe of CHP, 1.4 MW of heat-fired absorption cooling and 163m³ of thermal storage distributed over 6 building complexes in Woking Town Centre. Buildings are interconnected with heat and chilled mains and high voltage/low voltage private wire networks. The scheme satisfies its own electrical demands and exports surplus power over the public wires to sheltered housing residents and other local authority buildings via an enabling agreement for exempt supplier operation. In the event of a power cut, the system continues to operate in ‘island’ mode via a black start generator. The system is fully exempt from the Climate Change Levy and this benefit will be extended to other local businesses.

Click here to access the full case study.

Meters and billing
Since changes to metering competition rules, the meter in the customer’s premises is not necessarily the property of the DNO. This will need to be checked as it may belong to the customer, the DNO or an independent Meter Asset Provider. Depending on ownership of the meter, it may be possible to rent or purchase the meter but it may not be suitable for the organisation’s requirements for two reasons:

- Firstly, meter reading, processing and revenue collection can be expensive. The organisation may wish to consider other options such as remote metering and data collection, which allows bills to be generated and issued automatically.
- Secondly, the organisation may need to install new meters for the DUOS charging process. Whilst doing so, they may wish to install completely new metering to reduce the cost of administering revenue collection from customers.

Ofgem is looking at the innovation within metering, particularly for electricity. They are running studies with the major suppliers into the provision of ‘smart’ meters with a variety of features, including two-way communication between the customer and the supplier. Ofgem intends to provide a regulatory framework so that suppliers can work with competitor’s meters if a customer switches. However, they expect the suppliers to lead the way in testing and development of ‘smart’ meters. For more information on the future of ‘smart’ meters, please see Ofgem’s ‘Domestic metering innovation – next steps’ here.

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The energy services organisation will need to develop a policy to cover revenue collection, bad debt and potential disconnection. This need not be as onerous as it may sound. One of the advantages of a locally managed organization is that it allows for interventions, such as debt advice with benefits checks, to be organised. Additionally, prepayment meters can be installed to help with budgeting with ample emergency credit to avoid self-disconnection.

Lastly, regulation allows licensed gas and electricity suppliers to charge for fuel supply and recovery of capital investment in energy efficiency on the same bill. However, fuel supply and other measures must be itemised separately on the bill.

CHP and the Climate Change Levy
Heat generated by, and the fuel input for, ‘good quality’ CHP is exempt from the climate change levy. Qualifying electricity generation from CHP schemes will also be exempt from the Levy, where that electricity is consumed onsite or sold direct to another customer.

To qualify for exemption from the Levy, each ‘good quality’ CHP scheme must be registered. Self-assessment forms must be completed and sent to the Combined Heat and Power Quality Assurance Programme (CHPQA) by the owners. These forms are available via the CHPQA website (here25) and are supported by guidance notes on how to fill them in correctly.

Local authorities and the well-being power
Local authorities have historically faced legal barriers to delivering energy services. However, the introduction of the ‘well-being’ power in the Local Government Act 2000 (which covers England and Wales) and the Scotland Local Government Act 2003, removes most of these barriers. The following information is taken from the LGA document ‘Powering-up; making the most of the well-being power.’ The full document is available online here26.

This document includes the following paragraph on generating and supplying energy:

“The well-being power, combined with the new trading power, will support local authorities looking to promote new projects for generating and supplying energy: for example building on an exemption to the Electricity Act 1989 to form companies for small-scale generation of electricity that could then be sold to residents.”

The well-being power is a significant resource and freedom for authorities to use in order to improve public services, and encourages councils to look beyond their immediate service delivery responsibilities to the wider economic, social and environmental well-being of their areas.

It significantly widens local authority powers and gives councils the confidence to improve the quality of life, opportunity and health of communities by undertaking both new and traditional activities in innovative ways.

The breadth of the power is such that councils should regard it as a ‘power of first resort’. This means that rather than having to search for a specific power elsewhere in statute in order to take a particular action, councils can instead look to the well-being power in the first instance. The key question is no longer, ‘do we have the power?’ but ‘is there anything to prevent us from doing what we want to do?’

There is a need to use the power reasonably, to have regard to the community strategy and fiduciary duty to council taxpayers and to check that there is no prohibition, restriction or limitation in other legislation that will act as a constraint on the council’s ability to act. But the overall focus should be on the merits of the decision and its outcome in delivering the council’s priorities.

25 CHPQA website: http://www.chpqa.com/
26 LGA document: ‘Powering-up; making the most of the well-being power’ is available here: http://www.lga.gov.uk/Publication.asp?Section=0&id=A781D7A3
Councils can look to the power of well-being in the first instance. Before using the power, councils should consider four tests as set out in government guidance on 'Power to promote or improve economic, social or environmental well-being', which can be found [here](http://www.communities.gov.uk/index.asp?id=1133748):

- Is the activity likely to promote or improve well-being in the area? (Yes)
- Is the primary purpose to raise money? (No)
- Is it explicitly prohibited by other legislation? (No)
- Are there any explicit limitations or restrictions in other legislation? (No)

The power can also be used with other local authority powers and the new position on charging and trading under the Local Government Act 2003 will be particularly important.

**Local authorities and the power to trade**

The Local Government Act 2003 gives the Secretary of State an order-making power to allow local authorities to trade in relation to any of its ordinary functions (section 95, Local Government Act 2003). This will be in addition to local authorities' current power to trade with other public bodies under the Local Authorities (Goods and Services) Act 1970, and the new trading powers operate in parallel to this.

However, the Secretary of State is able to determine the extent of use of the new trading power by category of local authority. Only those local authorities with a comprehensive performance assessment rating (CPA) of fair, good or excellent comprehensive can use this power to trade. The power enables these authorities to enter into trading agreements or arrangements with any person for the provision of goods, materials, staff, accommodation and services on a commercial basis (ie charges fixed at more than cost recovery), if the purpose is to promote well-being.

**Disclaimer**

It should be noted that the document states: “Clearly, this publication can only act as a catalyst for further discussion… it will be important for each authority seeking to use the well-being power to go through the necessary political processes and to seek appropriate advice.”

**Further information**


### 2.3 Benefits of energy services schemes

The box below lists the major advantages and disadvantages for the different types of scheme in relation to both the organisation setting up the scheme and residents. Follow the steps in the next section on how to sell energy services to others and use this table to pick out the key points for your management and for your tenants.

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27 Guidance on ‘Power to promote or improve economic, social or environmental well-being’ can be found here: [http://www.communities.gov.uk/index.asp?id=1133748](http://www.communities.gov.uk/index.asp?id=1133748).


<table>
<thead>
<tr>
<th></th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Preferred supplier partnership/Affinity deal | - Straightforward to set up.  
- No initial outlay other than development time.  
- Income generated from every sign up.  
- Easy to benchmark to monitor success.  
- Easy to manage voids in social housing.  
- Reasonably easy to get residents to sign-up.  
- Income can be used to fund other initiatives.  
- Builds partnerships with suppliers.  
- Ensures there are no breaks in the supply and no unnecessary removal of meters. | - Tied to one supplier for a set period.  
- Tariff may not stay competitive.  
- Income depends on number of residents signing up.  
- May be difficult to get some residents to sign up.  
- Needs some monitoring of take-up.  
- Residents can switch to another supplier.  
- Could be difficulties handling pre-payment meter residents.  
- Only one example of an organisation that has managed to provide a single bill for tenants. |
| Residents                    | - Get one of the best deals available at the time in terms of tariffs and measures.  
- Easy to do.  
- Save money and/or improve comfort. | - Restricted choice.  
- Possible opposition to preferred supplier. |
| Home energy club             | - Easy to benchmark to monitor success.  
- Separate energy supplier handles billing.  
If ideal is achieved, separate energy supplier handles billing.  
Cost effective. | - Marketing and promoting the scheme is required.  
- Residents may default on payments.  
- Energy services company may not be willing to handle billing and potential liability. |
| Organisation setting up the scheme | - Reduced energy bills.  
- Improvements to property and thermal comfort.  
- Low or interest free rates on energy efficiency measures.  
- Could receive a single bill for energy and energy efficiency measures. | - Tied to one supplier for a set period.  
- Tariff may not stay competitive.  
- Increased debt for energy efficiency measures. |
| Energy generation – combined heat and power (CHP) | - Delivers both heat and power to residents.  
- Reduces CO₂ emissions.  
- Flexibility of tariff management.  
- Potential for increased income.  
- CHP suppliers very keen for partnerships to succeed. | - Capital outlay or leasing arrangements needed.  
- More complicated to set up partnerships and legal arrangements.  
- Benefits less easy to quantify  
- Needs a closely arranged group of properties.  
- Complexity of introduction |
means that really good communications and support of residents needed.
- Potential difficulty in some areas with network provider (situation improving).
- Reputation of unreliable old systems may lead to resident resistance.

<table>
<thead>
<tr>
<th>Residents</th>
<th>Reduced cost of both heat and electricity.</th>
<th>Possible disruption while system is being installed.</th>
</tr>
</thead>
</table>

**Direct energy supply – non CHP**

<table>
<thead>
<tr>
<th>Organisation setting up the scheme</th>
<th>Cost effective purchase of energy.</th>
<th>Lack of case study examples.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Usually only available for certain types of properties.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If handled for individual properties, administration of metering and billing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Requires formal company administration which can be time consuming.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residents</th>
<th>Full energy services from a trusted source.</th>
</tr>
</thead>
</table>

**Energy generation – renewables**

<table>
<thead>
<tr>
<th>Organisation setting up the scheme</th>
<th>Reduces CO(_2) emissions significantly.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Potential for increased income and income stays within the community.</td>
</tr>
<tr>
<td></td>
<td>Benefits easy to quantify.</td>
</tr>
<tr>
<td></td>
<td>Relies on indigenous fuel supplies.</td>
</tr>
<tr>
<td></td>
<td>Outside funding may be available.</td>
</tr>
<tr>
<td></td>
<td>If handled for individual properties, administration of metering and billing.</td>
</tr>
<tr>
<td></td>
<td>Requires formal company administration which can be time consuming.</td>
</tr>
<tr>
<td></td>
<td>Capital outlay or leasing arrangements needed.</td>
</tr>
<tr>
<td></td>
<td>More complicated to set up partnerships and legal arrangements.</td>
</tr>
<tr>
<td></td>
<td>May be resistance to aesthetics of some technologies (eg wind turbines).</td>
</tr>
<tr>
<td></td>
<td>Variable output may cause disturbance to customers and/or finance of the company.</td>
</tr>
<tr>
<td></td>
<td>Infrastructure may not be in place for technologies such as biomass.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residents</th>
<th>Cost effective purchase of energy.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Save money and/or improve comfort.</td>
</tr>
<tr>
<td></td>
<td>Usually encourages energy efficiency.</td>
</tr>
<tr>
<td></td>
<td>May be complications for metering and billing.</td>
</tr>
</tbody>
</table>
There are a number of other benefits from developing ESCos.

Social benefits:
- Provision of affordable warmth.
- Easy access for low-income householders to low-energy appliances and lighting, and reduced heating costs by linking financing charges to reduced energy consumption.

Economic:
- Energy efficiency measures without capital investment.
- Comprehensive advice and assistance with installation of measures.

Political:
- For local authorities, energy services could help deliver Home Energy Conservation Act (HECA) targets and fuel poverty objectives at a local level. (For further information on local authorities’ HECA and fuel poverty objectives, see Box 6).

For landlords:
- Increased capital (energy efficiency) investment through levering-in from other sources.

All residents:
- Focus on affordability of using essential services (eg warmth, light, motive power).

For utilities:
- Meeting EEC obligations at lower cost.
- Developing a competitive edge through innovation and added value services.
- New opportunity for increasing profit in a competitive supply market.
- Opportunity to enhance customer retention and develop a new customer base.

For other businesses:
- Scope for emergence of new businesses, and consequent job creation in the delivery of energy services.
- Potential for integrating other domestic services with energy services.

*Millions suffer ill health and discomfort every winter because of fuel poverty. Energy services can help deliver affordable warmth.*
Box 6: Local authorities’ HECA and fuel poverty objectives

The Home Energy Conservation Act 1995 (HECA) focuses local authorities’ attention on improving the energy efficiency of all homes and, in so doing, seeks to tackle the two very serious problems of fuel poverty and climate change. HECA places a duty on UK energy conservation authorities (local authorities with housing responsibilities) to draw up strategies to improve domestic energy efficiency in all housing – both public and private sector – and to report on progress made in implementing them. Since 2000, English and Welsh authorities have been required to report on their actions to tackle fuel poverty as part of their annual HECA reports, while Scottish authorities are required to produce a fuel poverty strategy.

The Energy Saving Trust has produced a number of briefings with information that will be useful for tackling HECA:

- Click on the relevant country for information on affordable warmth: England[^31], Scotland[^32], Wales[^33] and Northern Ireland[^34].
- Click here[^35] for ‘Energy efficiency briefing: a briefing for local authority chief executives and elected members’.

2.4 How to sell energy services

2.4.1 Energy services in context

This next section identifies how energy services fit into the rest of an organisation’s strategy. The following table lists various strategies, policies and programmes and identifies the potential contribution that energy services can make within that item.

Box 7: How energy services can help deliver strategies and policies

Affordable warmth

Energy services focus on the delivery of adequate heating, lighting and other related services to those who are in need. They are designed to reduce costs for tenants through making the delivery and use of these services more efficient.

Climate change

The energy services chosen can help to reduce the impact of climate change. The key factors are changing the type of fuel supply plus insulation and ventilation measures and use of more energy efficient appliances and lighting to lower energy use, all of which reduce CO₂ emissions.

Anti-poverty strategy

Energy services deliver heating, lighting and power to those that are in need, not focusing on the cost to the individual.

Energy efficiency

Energy services deliver the benefits required from energy, not just the energy itself. By concentrating on

energy services, there is an incentive for energy to be produced and used in the most efficient way possible.

**Energy policy**
Energy services can represent one strand of an energy policy that may address sources of energy as well as efficiency issues.

**Environmental management**
As well as a contribution to reducing CO\(_2\) emissions, some energy services schemes may also contribute to a reduction in resource use, waste/recycling targets and air quality.

**New build**
Some elements of energy services apply within new build programmes. Some new build activity such as appliance installation may benefit the energy services scheme as a whole.

**Planned maintenance**
For social housing, energy services and installation of energy efficiency measures is more cost effective when included within a planned maintenance programme; for owner-occupiers, energy services can ensure that planned maintenance actually happens.

**Reinvestment strategy**
Energy services can improve the quality of housing and therefore raise its asset value.

**Responsible repair**
Taking a life-cycle or whole-life costing approach means that energy services are easy to justify in terms of cost.

**Stock condition survey and home energy rating**
Energy services can improve the fabric of the building or contribute to an increased SAP rating, depending on the energy services chosen.

**Sustainable development**
In addition to the environmental aspects of sustainable development (see CO\(_2\) emissions, climate change and environmental management, above), energy services contribute towards social sustainability by addressing welfare issues such as debt and poverty, and to economic sustainability such as household maintenance and stock valuation, depending on the scheme selected and the economic benefits arising from the scheme.

**Resident health**
Energy services contribute towards residents’ health through provision of thermal comfort and indoor air quality, addressing health problems caused by cold and damp.

This shows that an energy services approach can link into a wide range of issues that local authorities, housing associations or community groups are working to resolve. The important thing is to identify and quantify what benefits the organisation wants to gain from introducing energy services. This will help determine what type of approach will help achieve those over-arching goals.

### 2.4.2 A suggested format for gaining approval to investigate energy services

The following sections have been designed to help establish how energy services can help you meet your objectives. If you need to gain time to do background work (or a feasibility study) on whether and which energy services are right for you then take the time to go through all the following questions and think about the answers with regard to your specific circumstances.

<table>
<thead>
<tr>
<th><strong>A. What will my management like about energy services?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Energy services will contribute <em>(these things)</em> to <em>(these)</em> specific policies <em>(selecting from the list in Box 7)</em>.</td>
</tr>
<tr>
<td>➢ Energy services have the potential to save money on energy and energy efficiency</td>
</tr>
</tbody>
</table>
bills which is important to us because...

- Energy services have the potential to raise money to finance energy efficiency work.
- Energy services have the potential to develop partnerships in the local/regional/national community, which will help our prestige and reputation.
- Energy services are likely to increase public sector tenants satisfaction with the housing provider and private sector residents' satisfaction with the local authority.

B. What problems/issues are we currently facing that energy services can help with?

These may include:

- The need to deliver an affordable warmth strategy.
- The need to have a sustainability strategy.
- Problems with residents over... (eg bill payment, complaints over costs of electricity, old appliances giving us electrical problems, damp and other practical problems).
- The need to replace old or worn out boilers and other heating systems, etc.
- The local authority needs all domestic buildings to contribute to its CO₂ emissions reduction target.

C. What will happen if we don’t solve those problems?

- List the consequences of not tackling the problems mentioned in section B. These will probably fall under the categories:
  - Not delivering our core business.
  - Excess cost.
  - Excess administration (which translates into cost and time).
  - Problems with the local community and our reputation suffering.
  - Losing, or not gaining, grant funding.

D. What do we want done?

- We want approval to work on this project - at this stage to do a feasibility study. The feasibility study will show:
  - What type of energy services are right for us (in which group of housing, if appropriate).
  - How much it will cost, roughly.
  - How much we will gain, roughly.
  - Where the shortfall, or start-up funding, will come from.
  - How much time it will take.
  - What specific objectives and targets (for the first phase at least) it will lead to.
- If we also want approval to get a consultant to do some of this work, then how much budget do we want approved?

Box 8: What is a feasibility study?

A feasibility study is a small project to identify the best options for your situation, including potential partners, potential costs, timescales and funding sources. A feasibility study may include a pilot project, to assess the viability of specific ideas but don’t go straight into a pilot project without doing a desk study first. Feasibility and pilot are best viewed as two separate stages.

Feasibility studies should involve residents since, for best results, they need to feel ownership of the scheme. The later sections on ‘Which approach?’ and ‘Developing partnerships’ are part of your feasibility approach. You will also need to establish sources of funding and the work needed to obtain that funding. Preliminary approaches to partners and suppliers are usually perfectly acceptable as part of a feasibility study.

Case study example 6: Developing a feasibility study – Wiltshire Wildlife Trust

Wiltshire Wildlife Trust (WWT) received funding to undertake a feasibility study to investigate raising awareness and supporting action for sustainable energy. The scheme involved working with WWT members and supporters as volunteers in the promotion of energy efficiency, particularly for those suffering from fuel poverty.
The study aimed to identify the potential for developing an energy services company for WWT members and researched attitudes towards energy use and its impact on the environment. The study found considerable concern amongst members about the impact of climate change, plus strong support for action, and led to the idea of a volunteer programme to promote an energy services scheme, or to raise awareness of energy efficiency within the community. Subsequent to the production of a successful feasibility study, the project established a Green Electricity Affinity (preferred supplier) Deal.

Click [here](http://www.est.org.uk/uploads/documents/housingbuildings/WWT%20April%202005%20(2).pdf) for the full case study.

### 2.4.3 Asking for approval

Getting approval either for a specific energy services scheme or resources and time to investigate energy services further uses the answers in the previous section. However, it presents them in a different order:

- Problem.
- Implications.
- What you want done.
- What management stand to gain.

Getting management to think about the problem and the implications makes it a problem they realise needs solving.

If your management prefer to be kept informed, rather than approving what you do, it will probably work if you state the problems and tell them what you’re going to do about it, e.g. “I think we could reduce the tenants’ energy bills and reduce fuel poverty if we investigate energy services. It could even earn us some money. So I propose to look into it and come up with a proposal.”

### Getting the feasibility study accepted

You’ve worked through the feasibility study and decided that it is a good idea. You need to get approval to go ahead with the scheme. The following table gives three types of approach, ranging from the formal to the informal. You can use this framework to build a report, a presentation, or a verbal argument (we would suggest sticking to the informal strand if doing it verbally).

Once you’ve sold the idea to management, you can get on with doing it.

<table>
<thead>
<tr>
<th>Box 9: Presenting the feasibility study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal</strong></td>
</tr>
<tr>
<td>Introduction:</td>
</tr>
<tr>
<td>Recap the problems identified and</td>
</tr>
<tr>
<td>the implications, and why we</td>
</tr>
<tr>
<td>decided to do the feasibility study.</td>
</tr>
<tr>
<td>What was covered by the feasibility</td>
</tr>
<tr>
<td>study, eg:</td>
</tr>
<tr>
<td>➢ Profile of properties.</td>
</tr>
<tr>
<td>o Age.</td>
</tr>
<tr>
<td>o Energy ratings.</td>
</tr>
<tr>
<td>o Heating systems.</td>
</tr>
<tr>
<td>o Replacements due.</td>
</tr>
<tr>
<td>o Groups of properties.</td>
</tr>
<tr>
<td>➢ Policy issues for the</td>
</tr>
<tr>
<td>organisation.</td>
</tr>
<tr>
<td>o Sustainability.</td>
</tr>
<tr>
<td>o Affordable warmth.</td>
</tr>
<tr>
<td>o Fuel poverty.</td>
</tr>
</tbody>
</table>
2.4.4 Selling it to residents

The way you approach this depends to a large extent on how you normally handle communications with your residents. If you are a social housing provider, it is particularly important that you consult your tenants. If you are targeting private sector housing, the success of your scheme depends on getting residents signed up, so it is advisable to include them in the design of the scheme as much as possible.

What to do

The most successful schemes aim to get the residents to feel that they own the scheme, rather than something that has been imposed on them. To gain maximum buy-in, it is a good idea to:

A. **CONSULT** on the idea
   This will also be a valuable part of your feasibility study to gauge the level of interest and predict likely take-up. (NB if residents have to take action, it is wise to assume that less than half of those who say they will sign up will actually do so.)

B. **CONSULT** on the proposals
   This will be at the stage when you know what you are going to do and how you are going to do it, but need some fine-tuning. You may have one or more partners to contribute to this stage, and it may be before you have finally decided who the supplier(s) is (are).

C. **LAUNCH** the scheme
   When the details are known and you are ready to sign people up, the scheme can be launched. Do not do this until you can deliver something to them; they’ll lose enthusiasm if they can’t act straight away.

If the scheme involves CHP, you will launch the plan of what is going to happen, when, and what disruption it is likely to cause (not forgetting the benefits). When implementation is nearing completion (i.e. you have installed and tested it), you need to give people the information on what, if anything, they need to do about their electricity and gas suppliers.

Who to consult

Who you need to consult with depends on your situation. It could mean:

A. The residents’ association, tenants’ panel or community group.

<table>
<thead>
<tr>
<th>Types of scheme available to us.</th>
<th>Recommended scheme(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Benefits of specific schemes.</td>
<td>➢ Key features.</td>
</tr>
<tr>
<td>o Costs and benefits of specific schemes.</td>
<td>➢ Benefits to residents.</td>
</tr>
<tr>
<td></td>
<td>➢ Benefits to organisation.</td>
</tr>
<tr>
<td></td>
<td>➢ Costs and savings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Next Steps:</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Project proposals.</td>
</tr>
<tr>
<td>➢ Detailed plans.</td>
</tr>
<tr>
<td>➢ Activities.</td>
</tr>
<tr>
<td>➢ Budget.</td>
</tr>
<tr>
<td>➢ Timescale.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approval(s) needed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Budget.</td>
</tr>
<tr>
<td>➢ Partnership approaches.</td>
</tr>
<tr>
<td>➢ Invitations to tender.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Questions:</th>
</tr>
</thead>
</table>

The scheme being recommended.

What you are planning to do next, in some detail.

What you are planning to next.

Approval needed.

Approval needed.
B. Residents generally:
- Through an invitation to a meeting (or meetings, depending where the houses are that are going to be included in the scheme).
- Through a questionnaire sent to them.
- Through an exhibition in a suitable place for the community. This is particularly suitable for a proposals consultation, so the residents can see details and ask questions on an individual basis.
- Through market research conducted door-to-door.
- Through market research done in a community area.

You could combine one or more of these approaches, depending on your situation, budget and time available.

<table>
<thead>
<tr>
<th>Case study example 7: Consulting with residents on energy services schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the London Borough of Tower Hamlets’s Barkantine CHP project, tenants were initially very sceptical of a communal heating system but were persuaded of the benefits through a series of open meetings, the distribution of information leaflets and a 3-day exhibition. The local Residents’ Committee was involved in all key decisions before the contract was awarded and during the construction phase. A member of the Barkantine Heat and Power Company (BHPC) attends a liaison meeting every two months to obtain feedback. Click <a href="http://www.est.org.uk/uploads/documents/housingbuildings/tower_hamlets.pdf">here</a> to obtain the full case study.</td>
</tr>
</tbody>
</table>

What to say
As with the approach to management, you need to think of it from the residents’ point of view, and present it in the order:
- What are the problems or issues that it will address?
- What are the implications of those problems not being solved?
- What you are proposing to do about it?
- What are they going to gain from you doing that (i.e. what will they like about the scheme)?

<table>
<thead>
<tr>
<th>Chapter 2 - Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>This section has:</td>
</tr>
<tr>
<td>- Defined the meaning of the term ‘energy services’.</td>
</tr>
<tr>
<td>- Described the energy services approaches available.</td>
</tr>
<tr>
<td>- Detailed the advantages and disadvantages of each energy services approach.</td>
</tr>
<tr>
<td>- Outlined techniques to gain management and resident approval and support.</td>
</tr>
</tbody>
</table>

Now move on to chapter 3 and find out more about planning, developing and implementing an energy services scheme.

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# 3.0 Developing an energy services scheme

Chapter 3 of the Directory covers practical steps on how to develop an energy services scheme. Each section starts with a key steps summary of that particular section.

| Taking action | Two examples on how to develop an energy services scheme:  
|               | - Negotiating a preferred supplier partnership.  
|               | - Setting up a CHP scheme.  
|               | Each example provides a step-by-step account of the key stages involved in each energy services approach. |
| Developing a project from start to review | ➢ Develop a project for start to review.  
| | ➢ Overall aims and objectives.  
| | ➢ Outline plan.  
| | ➢ Feasibility study.  
| | ➢ Agree preferred scheme and gain necessary approval.  
| | ➢ Draw up a business plan.  
| | ➢ Carry out the plan.  
| | ➢ Review the project.  
| | ➢ Incorporate lessons learned into next plan. |
| Which approach? | ➢ Assess your situation  
| | o Policy.  
| | o Properties.  
| | o Community.  
| | ➢ Identify which energy services fit with your situation.  
| | ➢ Decide which you need to investigate further.  
| | ➢ Choose which approach, or which you will do first. |
| Developing partnerships | ➢ Identify the potential partners.  
| | ➢ Identify objectives (shared and individual).  
| | ➢ Establish plan of action, responsibilities, a review period and procedures.  
| | ➢ Review achievements against plans. |
| Funding and support | ➢ Signposting to relevant sources for funding such as EEC and the Energy Saving Trust’s funding database[^39]. |

3.1 Taking action

<table>
<thead>
<tr>
<th>Key Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Define your objectives and begin to scope the project.</td>
</tr>
<tr>
<td>2. Build partnerships and consult with management, residents and other groups.</td>
</tr>
<tr>
<td>3. Prepare a business plan and/or a plan of action.</td>
</tr>
<tr>
<td>4. Develop and finalise agreements with suppliers, installers etc.</td>
</tr>
<tr>
<td>5. Set up procedures.</td>
</tr>
<tr>
<td>6. Launch scheme to residents.</td>
</tr>
<tr>
<td>7. Review the progress of the project and look to developing your energy services further.</td>
</tr>
</tbody>
</table>

This section is a step-by-step description of setting up two different energy services programmes. The two schemes described are:
- Negotiating a preferred supplier agreement (affinity deal).
- Setting up a CHP scheme.

3.1.1 Negotiating a preferred supplier partnership (affinity deal)

What is a preferred supplier partnership (affinity deal)?

A preferred supplier partnership is a relationship between a local authority, housing association or community group and an energy supplier (electricity and/or gas). The organisation appoints an energy supplier that they consider to be offering the best value on overall service (such as price, measures and advice). The organisation uses its position as an ‘honest broker’, enjoying a degree of trust that an unfamiliar utility may not, to market the preferred supplier to residents. In return, the organisation receives a commission from the utility for every new customer that it signs on. In addition, for social housing, this approach can be developed to include the automatic signing up of all void properties to the preferred supplier, bringing in additional revenue and helping in void management and administration.

How does this contribute to energy services?

The revenue generated from the scheme is usually ring fenced and used to fund energy efficiency improvements, either offered as a package to the houses that have signed up to the deal, or in the most vulnerable homes. In addition, the local authority, housing association or community group can usually negotiate preferential access for their customers to grant funded measures and a dedicated energy efficiency helpline.

What are the benefits of setting up a preferred supplier partnership?

If set up, managed and marketed well a preferred supplier agreement can give a steady income stream with which to subsidise energy efficiency measures. It can also be an important first step in developing partnerships with suppliers that may lead on to bigger and better things.

What are the drawbacks of a preferred supplier partnership?

The disadvantages of this type of scheme are that it can take some time before the deal is in place to consult with suppliers and negotiate an agreement on the best tariff possible. You will need to be quite well informed about the deals available to ensure that you are getting best value for your scheme participants. (The energywatch database allows users to compare prices offered by each of the energy suppliers). In addition the scheme will only bring in an income for energy efficiency measures if residents actually take up the offer, so getting them enthused through effective marketing of the offer is crucial.

---

So how can organisations set up a preferred supplier partnership?

Preferred supplier relationships are one of the most popular starting points for an energy services approach. The Energy Saving Trust has developed a comprehensive guide to setting up affinity deals, which can be accessed here.41

**EEC contacts at the major suppliers**

Details of all the EEC contacts at the major suppliers are available in section 4.2.1.

**Renewable energy**

It may be possible to set up an affinity deal using a renewable energy company such as Unit[e], or the green tariff of the main energy suppliers. Some suppliers do not charge a premium for their green tariff, others do.

**Case studies:**

- **Aberdeen City Council’s preferred supplier scheme**42.
- **fenESS – Enabling energy efficiency and energy supply through energy services**43.
- **Switch on – Wiltshire Wildlife Trust**44.
- **Age Concern and Powergen: offering energy services to older customers**45.
- **Greater London energy efficiency network: HelpCo**46.

### 3.1.2 Setting up a combined heat and power (CHP) scheme

**What does a CHP scheme involve?**

Combined heat and power (CHP) plants utilise the heat produced in electricity generation to offer a dual energy service of both heat and power. Large-scale, domestic CHP schemes are usually set up to supply specific densely populated areas such as a block of flats, or a local estate. The power generated meets all the residents’ electricity needs and the heat is made available via a district heating network for space and water heating. It is a particularly efficient method of energy generation as it makes full use of all the waste heat produced in electricity generation.

**How does this contribute to energy services?**

CHP schemes offer a direct supply of heat and power to residents.

**What are the benefits of setting up a CHP scheme?**

A CHP scheme can offer cheaper energy, as well as reducing the carbon dioxide emissions associated with generation. It is also a good opportunity to form strong partnerships with local and national organisations.

**What are the drawbacks of a CHP scheme?**

A CHP scheme represents a major investment in time, effort and, depending on the approach used, money – so obtaining funding can be a key factor in the success of the scheme.

The development of a CHP scheme in an area can also be very disruptive. The organisation must be sure that they have the full support of all residents affected.

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Box 10: Investing in CHP

CHP represents a sizeable investment, although the savings produced typically give a simple payback of around three to five years. There are three main alternatives for funding:

- Capital purchase – with this option the CHP unit is purchased outright by the host site.
- Equipment supplier finance (ESF) – most CHP suppliers provide ESF under their own brand names. Under such schemes the site benefits from reduced costs for no capital outlay and very little risk.
- Contract energy management (CEM) – under this arrangement the CEM company owns the CHP unit and sells heat and power to the host site at a reduced rate.

So how can an organisation set up a CHP scheme?

The basic steps in setting up a CHP scheme are set out below (see Figure 1). All the relevant cross-references to other areas of the Directory are included where appropriate. With a scheme of this nature consultation with potential partners and funders is vital and will very much shape the format and scope of the scheme.

Useful websites

- CHP Association web site: [www.chpa.co.uk](http://www.chpa.co.uk).
- CHP Club: [www.chpclub.com](http://www.chpclub.com).

Case studies


---

Figure 1: Setting up a CHP scheme

<table>
<thead>
<tr>
<th>Define your objectives</th>
<th>Determine whether the scheme is right for your situation – types and distribution of property have a role in this. Make yourself aware of the basic technology and the advantages and disadvantages of installing CHP.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope the CHP scheme</td>
<td>Identify in precise terms what you want to achieve from CHP (eg minimum heating to all residents in order to satisfy the base requirements for affordable warmth). This is important because you need to know what output you require from your CHP plant. Identify examples of CHP schemes from best practice guidance in order to clarify and inform your own situation.</td>
</tr>
</tbody>
</table>
| Build internal partnerships | In most organisations, it will be necessary to gain top-level commitment. To do this you should:  
  ➢ Present scheme to senior management.  
  ➢ Detail how the scheme fulfils corporate aims and strategies is affordable warmth, sustainability strategy etc.  
  ➢ Ensure those responsible for the scheme are wholly committed from the offset. |
| Consult with residents | The full support of residents is crucial to the success of a scheme; to do this you should:  
  ➢ Explain scheme to resident groups.  
  ➢ Define aims and benefits ie warmer homes, cheaper fuel bills, low cost.  
  ➢ Build support for scheme concept from the offset; create ownership. |
| Consult with other potential partners | ➢ Identify potential partners for funding and implementation of the scheme.  
  ➢ Present your situation (eg proposed size and scope of scheme).  
  ➢ Discover what requirements partners have for working on the scheme.  
  ➢ Feed these results into your final plan.  
  ➢ Also identify local partners who could be part of the CHP system if appropriate. (Eg businesses next to your site which require power and/or heat at times of day when you are likely to have a surplus).  
  ➢ Consider your source of fuel supply, and liaise with suppliers. |
| Prepare action plan or business plan | Using lessons learned from the consultation period agree the aims and objectives of the CHP scheme. Finalise the scope of the scheme and define deadlines for installation, testing and implementation. Outline marketing and promotion of ideas where appropriate and devise monitoring and feedback procedures for residents and staff to give comments on the scheme. |
| Tender for suppliers etc. | Tender for suppliers where appropriate. N.B. Consider the whole supply chain, eg:  
  ➢ The provision of boiler/turbine systems.  
  ➢ Heating and wiring.  
  ➢ Other building/maintenance requirements. |
| Formalise procedures and begin construction | ➢ Agree internal systems; what is to be supplied within rent incomes, what is to be metered separately.  
  ➢ Set up a holding company for the CHP and for fuel billing if appropriate.  
  ➢ Set up billing systems.  
  ➢ Finalise installation, testing and implementation programme.  
  ➢ Agree roll-out with residents and train staff where necessary. |
| Finish construction and launch scheme | ➢ Install and test the system, iron out problems.  
  ➢ Roll out to all tenants in target group. |
| Review progress | Review progress against objectives:  
  ➢ System performance.  
  ➢ Benefits.  
  ➢ Tenant response.  
  ➢ Ease of use etc. |
3.2 Developing a project from start to review

This section briefly covers the stages in developing a project plan, from start to finish. Within the project plan two other types of plan are referred to:

- A business plan is a more formal document covering aims and objectives, targets and outcome, marketing and promotion, monitoring and feedback, as well as timescales. It is often required in order to obtain funding, whether from a funding organisation such as the DTI’s Low Carbon Buildings Programme, or from a commercial organisation such as a bank.
- If funding is not an issue, then an action plan or implementation plan will suffice.

**Key steps**

- Determine your overall aims and objectives.
- Write down an outline plan including specific steps you will take and when.
- Carry out a feasibility study to identify the best options for your situation, potential partners, potential costs, timescales and funding sources.
- Agree what scheme you prefer, and again any approvals necessary.
- Draw up a business plan or action plan, identifying all strands of the project, who will be responsible for each task, or groups of tasks, plus budgets and timescales.
- Decide how you are going to monitor and review the project.
- Prepare a contingency plan for what might go wrong, including how you will know whether something has gone wrong.
- Carry out the plan, monitoring and review and adjusting as necessary.
- Review the project and identify how you could have improved on the plan and its execution.
- Incorporate lessons learned into next plan.

**Overall aims and objectives**

How do energy services fit into your overall corporate strategy and other policies? We will come back to this question in the section on ‘What Approach?’ but at this stage you need to be clear how energy services might fit into the work you do, such as:

- Providing residents with cost effective, affordable warmth.
- Enhancing their quality of life.
- Minimising adverse environmental impacts.
- Saving costs.
- Managing properties effectively.

**Outline plan**

This is an initial statement of the specific steps you will take and when. It can also be an action plan, especially if different people are going to carry out different tasks

It will probably take the following format, so you can complete the ‘by when’ column as part of your planning.

<table>
<thead>
<tr>
<th>Outline plan</th>
<th>By when</th>
<th>By whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility study:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess situation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess options.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determine alternatives.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish costs of alternatives.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identify potential partners.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish plans for communication with tenants.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Establish terms for a pilot scheme (if any).
Complete feasibility study.

Present feasibility report, recommendations and draft implementation plan or business plan

Prepare implementation plan
Implement energy services
Monitor and review project

Note that you can do the early stages in some detail, whereas the latter stages are really ‘guesstimates’. At the end of each stage you should be able to do a detailed plan of the next stage (or phase), and refine your guesstimates for the later stages (and any budget implications).

Feasibility study
A feasibility study is a small project to identify the best options for your situation, including potential partners, potential costs, timescales and funding sources. A feasibility study may include a pilot project to assess the viability of specific ideas, but don’t go straight into a pilot project without doing a desk study first. Feasibility and pilot are best viewed as two separate stages.

The feasibility study is a good time to start to involve your residents, as to achieve the best results they need to feel ownership of the scheme. The following sections, ‘What approach?’ and ‘Partnerships’, are part of your feasibility approach. You will also need to establish sources of funding and the work needed to obtain that funding. Preliminary approaches to partners and suppliers are usually perfectly acceptable as part of a feasibility study and you will need a sufficiently detailed plan showing:
  ➢ Overall aims and objectives.
  ➢ Specific targets in terms of cost savings, energy savings and/or carbon dioxide savings.
  ➢ Tasks or activities to be carried out.
  ➢ Outcomes or results from those activities.
  ➢ Schedule.
  ➢ Costs broken down into consultancy or time costs and other costs such as communications.

Agree preferred scheme and gain any necessary approvals
If you have not already done so, you may involve the residents at this stage by holding a small exhibition or poster display of proposed ideas, so that they can comment on the merits of each. You may need to present a formal proposal to your Management or Board of Trustees to gain approval to proceed. At this stage you should have selected the final scheme (or the first phase of a longer term strategy for energy services).

Draw up a business plan
If you are applying for funding you will need to prepare a formal business plan identifying the reasons for and benefits of the project, the management controls and measures of success for the project. If a formal document is not required, then an action plan will be needed identifying all strands of the project, who will be responsible for each task or group of tasks, plus budgets and timescales, so that you have a base plan to work from.
Box 11: Sample business plan – key headings

The key areas that you should address when developing a business plan are outlined below. A good business plan should include the following:

**Scheme description**
This should include at the very least a description of your aims and objectives, why are you setting up the scheme and what you hope to achieve. Also include information on your target audience, expected take-up and the total ‘market’ that could benefit from the scheme, information on the energy services you plan to offer, the main routes to market for the scheme and the role of each of the partners involved.

**Targets**
Include what you aim to achieve in terms of customer take-up, energy saved, emissions saved and money saved by residents, as well as the targets for the organisation in terms of reaching corporate objectives.

**Marketing plan**
There many different guidelines to use when developing a marketing plan. One easy-to-use guide is the SOSTAC approach – this stands for Situation analysis, Objectives, Strategy, Tactics, Action and Control. This should act as a basic structure and help you to cover all the key components of a marketing communications plan. Remember also to consider the four Ps of:
- **Product** – what are you offering to the customer?
- **Price** – how much does it cost?
- **Promotion** – how will the customer know about the product and how will it be sold to them?
- **Place** – how is the product going to get to the customer? What geographical coverage should it have, etc.

**Budget projections**
Have a clear idea of how much each key stage and action is going to cost. At this stage remember to include costs for ongoing administration of the scheme.

**Action plan**
Have a clear outline plan of expected timescales and key milestones. Make sure you define responsibilities for each of the partners involved at each stage of the action plan.

NB. If you are applying for funding for a particular source or grant scheme then check with them first. Some organisations will require business plans in a particular format.

As part of developing this plan you need to:
- Decide how you are going to monitor and review the project.
- Prepare a contingency plan for what might go wrong, including how you will know whether something has gone wrong.

Depending on the scale of your project you may want to develop the contingency plan with a risk analysis. The following headings give you the basic idea. For every step in the implementation plan check:
- What can go wrong?
- How likely is it to go wrong (probability: high, medium, or low)?
- When will I know?
- How will I know?
- What will I do about it?
- What will be the effect on the project in terms of delay or additional costs (impact: high, medium, or low)?

If you are aware of something that is likely to go wrong and have a major effect on the project, it is very important to have a contingency plan (or redesign the task to reduce the risk).
For anything other than ‘probability low, impact low’, make sure you have a means of knowing whether it has gone wrong and in a timescale which means you can do something about it. This is all about thinking ahead to save time on things going wrong which could and should have been prevented.

**Carry out the plan**

When carrying out the plan, it is useful to refer to the schedule to make sure you are staying on target, and if not, use the review process to identify whether you have a problem or can catch up the time you’ve lost.

Keep everyone informed who needs to be kept informed but save time by reporting things that have gone well, or things that have had difficulties. Don’t spend time giving details of how everything is going according to plan.

**Review the project**

On completion, and again after the project has been running for a while (say six months), hold a project review meeting and identify how you could have improved on the plan and its execution. This two-stage review is worthwhile. The first immediate review gets the immediate success celebrated and identifies any things that have been left to finish off. Make sure they are finished off!

The second review allows a more measured review not just of the project and how it was handled, but whether the aims and objectives were right and whether outcomes are being achieved. Some outcomes will need longer to assess – have you got a plan to assess them?

**Incorporate lessons learned into next plan.**

Some organisations are forever repeating the same mistakes, or re-inventing the wheel, because they don’t review projects and incorporate lessons learnt into the next one. Sometimes patterns emerge and are still ignored. Use this opportunity as a learning exercise to develop your own skills. Consider developing your energy services scheme to incorporate other approaches, or to develop your existing partnerships with key organisations.

### 3.3 Which approach?

**Key steps**

Assess your situation in terms of:

- Policy.
- Properties.
- Community.

Then:

- Identify which energy services fit your situation.
- Decide which you need to investigate further.
- Choose the most suitable approach or which approach you will try first.

**3.3.1 What is your situation?**

You need to assess where you are in order to determine how to go forward. The key features of the properties you intend to incorporate in the scheme, or of specific groups of properties, together with your overall concerns as an organisation, will largely determine the best approach for your organisation.

**Assessing your position**

Under each heading below there are some questions to help you assess your situation. Not all of them may be applicable to your organisation. They are not yes or no questions and don’t worry if you do not have responses at this stage.
Read through the following headings and questions, think about how well developed energy services and energy efficiency are in your organisation and use this to decide which approach might be the most appropriate. Some of the questions will only be possible to answer if you are providing social housing.

### Policies
- Do you have a strong policy framework? What aspects of the policies apply to resident health, poverty, environment, climate change and energy efficiency?
- To what extent are you cost-driven – on your own behalf, or on behalf of your residents. Are you prepared to spend money to save money?
- Are you prepared to take risks by doing new things? If not, (like most companies) what reassurances do you need that something new ‘will work here’.

### Building strategy – social housing
- What is your strategy for maintaining and developing your buildings?
- Is maintenance ad hoc or planned?
- Is that least cost or real value for money?
- Are there some issues that need a solution now?

### Sustainability objectives
- Do you have a sustainability strategy and objectives? What objectives will support an energy services approach?

### Affordable warmth objectives
- Do you have affordable warmth objectives? To what extent do you need to provide the whole solution, or provide something that residents can take up if they want to?

### Number of properties
- How many properties do you have and of what type?
- Do you need a different energy services solution for each type eg social or private housing?
- Does that mean you need to set priorities?

### Location/grouping of properties
- Do you have a large number in one block, a few blocks? All in one town, but spread around? Mainly terraces and single person dwellings? Estates in different towns?
- The extent to which the targeted homes are in a close group or widely dispersed will affect the options open to you.

### Void rates – social housing
- What is your average void rate and how quickly do you fill them?

### Current energy use and arrangements
- What types of systems are in use at the moment?
- When are any contracts due to be reviewed?
- What about heating system replacement?
- How many prepayment meters are involved?
- Are you interested in handling billing arrangements? If so are the majority of your properties metered or un-metered?

### Maintenance profile
- How much has already been done in terms of energy efficiency? Is all the easy stuff done? How does the maintenance plan work?
- Does it address issues that could be addressed under energy services?
- Does that mean there is an opportunity for some of the maintenance to be funded elsewhere?
### Tenant/resident relationships

- How well do communications work at present/do you communicate at all?
- Are there historical situations to be got over, eg levels of trust/mistrust?
- If you recommended something, would they trust you?
- What contact routes do you use at present?
- Do they respond to letters and notices, or does it always have to be personal contact?
- Do they run their own community with you as a partner?

### Your aims and objectives

Whilst thinking about all this, think about what energy services could do for you.

Then write down one sentence that describes what you would like to achieve as a result of introducing energy services (even if, at this stage, you think there are some problems to be overcome).

---

Still thinking about the ideal world, what practical things do you want energy services to deliver? Write this down as energy services outcomes:

---

We’ve now assessed the situation and need to work out what could deliver the solutions.

#### 3.3.2 Selecting energy services for development

### Choosing a short list

In chapter 2, ‘Introducing energy services’, we gave detailed descriptions of the three main energy services scheme approaches and what they involved. Combining the outcomes you expressed when you developed your aims and objectives, which energy services are in the running? Use the table below to see what each type can deliver and what they may deliver if you set them up appropriately. See case study examples six and seven for some examples of how other organisations have chosen their approach.
Now go back to the advantages and disadvantages table in chapter 2 and slot the relevant ones into the table.

What have you got? Are there any that can be discarded straight away? Some that are relevant for some of your target properties but not all? That's fine – you may need to take more than one approach.

You now have a shortlist of schemes to investigate further.

3.3.3 Quick guide to suitable energy services schemes

As a final check, see if your assessment matches ours. Below is just a reference table. Obviously the diversity of each organisation will mean that this generic interpretation will not apply in all cases. Use it as a rough guide to help inform your own decisions.
**Key:**

✓ = Suitable  
X = Not suitable (or would be very difficult to deliver without other changes)  
Blank = maybe

<table>
<thead>
<tr>
<th>Heading</th>
<th>Characteristics</th>
<th>Preferred supplier arrangement/affinity deal</th>
<th>Direct energy supply – non CHP</th>
<th>Direct energy supply – CHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Framework</td>
<td>Strong</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weak</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost-driven</td>
<td>Yes</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willing to do new things</td>
<td>Yes</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability objectives</td>
<td>Strong</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weak/none</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable warmth objectives</td>
<td>Developed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Strategy</td>
<td>Well planned</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No strategy</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Urgent needs</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Properties</td>
<td>Managed</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Tenanted</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Large number/one place</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Large number/many places</td>
<td>X</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Small number/one site</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Small number/many sites</td>
<td>X</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Void rates</td>
<td>High/filled quickly</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High/filled slowly</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Low/filled quickly</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low/filled slowly</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Current heating</td>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electric</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Solid Fuel</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Needs replacing soon</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Energy use &amp; arrangements</td>
<td>Many meters</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Few meters</td>
<td>X</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracts due</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance profile</td>
<td>Good insulation</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor insulation</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant relationships</td>
<td>Good communication</td>
<td>X</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good trust</td>
<td>X</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low trust</td>
<td>X</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Need personal contact</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community led</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.4 Developing partnerships

**Key steps**
- Identify potential partners.
- Identify objectives – shared and individual (draw up terms of reference and obligations in a ‘partnering charter’).
- Establish a plan of action, responsibilities, a review period and procedures.
- Review achievement against plans (use agreed benchmarks and indicators; if you need to change benchmarks or responsibilities, go back to stage two).

This section describes different approaches to partnerships and suggests who and what to consider when selecting potential partners.

3.4.1 What are partnerships?
Some of the material used in this section was developed by the manufacturing industry. It was further developed for construction by Sir Michael Latham ‘Partnering the Team’ (1994) and Sir John Egan (Construction Task Force) ‘Rethinking Construction’ (1998).

The key things to remember about partnership are neatly spelled out in the following table:\(^{51}\):  

<table>
<thead>
<tr>
<th>Plan</th>
<th>Set shared objectives, establish team.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>Develop teams, understand perspective.</td>
</tr>
<tr>
<td>Risks and Rewards</td>
<td>Resource commitments.</td>
</tr>
<tr>
<td>Trust</td>
<td>Clarify common goals, understand individual aims.</td>
</tr>
<tr>
<td>M o Conflict</td>
<td>Clarify expectations, develop problem resolution strategy.</td>
</tr>
<tr>
<td>Evaluate</td>
<td>Set up regular review system, develop benchmarks and indicators, feed learning into future projects.</td>
</tr>
<tr>
<td>Repeat</td>
<td>Build on team, allow for changes to planning structure to develop learning, roles and responsibilities.</td>
</tr>
</tbody>
</table>

Partnership can be seen in two ways: As a relationship management technique or as a procurement method.

3.4.2 Partnering as a relationship management tool
This provides a four-step process for managing relationships that will enable you to manage them better, ease communication and control the project more effectively. It will also provide a framework that will help greatly in any formal reporting, especially if you gain funding from an external organisation for your project.

1. Identify stakeholders.
2. Identify objectives (shared and individual) - draw up terms of reference and obligations in a ‘Partnering Charter’.
3. Establish review period and procedures.
4. Review achievements against plans - use agreed benchmarks and indicators.

Members of partner organisations also gain the benefits of bringing new ideas together to bounce off each other, especially as these will be from other parts of the energy conservation community. Together you may find better solutions than each of you could have found on your own. Also with this approach you will have established benchmarks for performance that will help in evaluation and also have clearer expectations of each other and your roles, which should help to reduce time lost through misunderstanding.

[^51]: Housing Forum Partnering Code: ‘How to survive Partnering: It won’t bite!’ - The Housing Forum, 2000
3.4.3 Partnering as a procurement method:

When building a team, it is important to consider the whole supply chain—who do you need to be involved at each stage and what do you want them to bring to the partnership.

Do you really want them to supply at lowest cost, or do you want to consider:
- Customer care.
- Health and safety record.
- Management skills.
- Management structure and resources.
- Price.
- Supply chain management.
- Experience of partnering.
- Technical knowledge and skills.
- Reputation.
- Proven track record.
- Marketing experience.

One of the things to consider is how this fits with your team’s existing skills. Potential partners’ input into the marketing arrangements in terms of strategy as well as design and implementation, may be even more important than price. This is just one idea. See Box 12 for more ideas on whom to partner with and how to start thinking about what they might want.

Partnering does not necessarily replace traditional contract-based procurement, but it does allow for more innovative management methods. Some of these may lead you to consider the way you do business. For example, if the partnership is going to share risks and rewards then that implies sharing savings from energy efficiency measures. Use of guaranteed maximum price or guaranteed profit formulae enables a supplier to feel it is worth doing business with you as they will be rewarded more for effort. Open book accounting helps develop trust – you do not need to keep the figures on the project secret from your partners; they may even be able to help. Keep your plans open and measure progress so that everyone can see how the partnership is doing.

The things you have in common need to be established at the outset, such as:
- Shared objectives.
- Performance indicators and targets.
- Problem resolution procedures.
- Agreed review milestones and procedures.

Box 12: Who to partner with – what do they want?

Local authorities
How do energy services fit into their other plans, such as HECA, affordable warmth, fuel poverty, sustainability and community strategy? Will it help their management of void properties? Are they restricted by legal or procedural measures?

Housing associations
How does this fit with their fuel poverty/climate change strategies? Will it help their void management? Will it help improve their tenant relationships?

Managing agents
Need to know clearly what it is you want them to manage and what reporting structure. What else do they know that can help?

Appliance suppliers
Want to increase their market share. Modern appliances may help your energy systems as well as help achieve lower energy use. Can they install properly and what support will they give to help tenants use the appliance effectively. Does that include training your staff? Is there a funding opportunity as well?
### Insulation suppliers
Want to increase their market share. Insulation will help achieve lower energy use. Can they install properly and what support will they give to help tenants adjust to the new situation? Or will they work with your staff? Is there a funding opportunity as well?

### Energy suppliers
Is this a chance for them to develop their market share, or is it to help them meet their EEC commitments or both? How flexible are they about what they want to offer? What help can they give with marketing? How successful has this approach been before? Are the characteristics of your project attractive to them? Will most of your benefit come from a high void rate?

### Funding sources
Are these grants or loans? What are the relative attractions? How much administration or reporting will be involved? Can they provide assistance? What commitments do they want from you and can you deliver that? How can they help improve the success of the project – marketing again?

### Health authorities
How does this fit into their plans? Reducing ill-health effects, care in the community, child asthma?

### Others with an interest
This includes community and other groups including local businesses with an interest in social responsibility and sustainability. What is their interest? What would they gain from involvement? What would you gain from their involvement? How much additional work would it involve? Would it relieve your burden? How will communications work?

### 3.4.4 The legal framework

#### Section 20 housing
Energy services schemes that involve energy efficiency improvements to stock or other physical impacts (such as CHP) will obviously impact any privately owned properties in a housing association or local authority’s housing portfolio – subsequently section 20 requirements will apply. This should not be a pressing problem if good relations between the housing provider, tenants and private householders prevail. However it should be addressed early on (where appropriate) and early resolution achieved.

#### Forming partnerships and agreements

##### Housing associations
The position of housing associations to form partnerships and agreements, with suppliers and contractors etc will depend on the legal status of the housing association, or conditions of their charitable status, trustee arrangements and/or constitution.

##### Local authorities
The power of well-being enables local authorities to enter into partnerships and agreements that promote economic, social or environmental well-being.

In addition to these main concerns, any arrangements concerning the charging of tenants or householders will have to satisfy legal requirements under billing, consumer credit law and data protection.

### 3.4.5 Partnership checklist
At this stage, you need to think of whom you want to approach as partners and what they might want from you. Use the table below to help structure your checklist.
<table>
<thead>
<tr>
<th>Type of Partner</th>
<th>Who to approach</th>
<th>What I want from them</th>
<th>What they may want from me</th>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installer/contractor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority/health authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding source</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.5 Funding and support

**Key steps:**
- Determine your own aims and objectives for your energy services scheme.
- Identify a funding source that your scheme is compatible with.
- Establish the requirements for applying for funding.
- Develop your proposal accordingly.

These key steps outline how to set about obtaining funding for your energy services scheme. This section gives further information on some of the major fund and support services available.

#### 3.5.1 Energy Saving Trust

The Energy Saving Trust provides advice and information to local authorities, housing associations and community groups who are interested in establishing energy services schemes. The programme includes up
to three days free consultancy to help get energy services schemes off the ground. For further information on Energy services, please click here or call 0870 240 4129.

3.5.2 Energy suppliers

What funding is available?
For energy suppliers the impetus for partnerships and funding of energy services schemes comes primarily through the Energy Efficiency Commitment (EEC), which is a Government programme to promote a reduction in energy use in domestic households.

EEC 2005 - 2008 requires gas and electricity suppliers to deliver improvements in domestic energy efficiency that will correspond with an overall saving of 130 terawatt hours between 1 April 2005 and 31 March 2008. It is estimated that the current three year round of EEC will lead to investments of £1,250 million and a reduction in carbon emissions of approximately 0.7 million tonnes per year.

All domestic sector homes are eligible, although 50 per cent of EEC must be targeted at priority groups consisting of householders receiving certain benefits or tax credits.

Measures that can be funded through EEC include:
- Cavity wall insulation.
- Loft insulation.
- A-rated boilers.
- Fuel switching.
- Heating.
- Compact fluorescent lights (CFLs).
- Fridgesaver-type schemes.
- Hot water tank insulation.

How does EEC apply to energy services?
The UK government is committed to energy services as an effective way to improve energy efficiency in all sectors and energy services are explicitly mentioned in the 2003 Energy White paper.

Under the EEC2 programme (2005 to 2008), suppliers are rewarded for their involvement in energy services schemes by being credited with an additional 50 per cent energy savings for measures provided under an energy services agreement. Energy service agreements must comprise at least 5 per cent and no more than 10 per cent of their target.

The EEC2 guidance requires that suppliers fulfil the following requirements for energy services actions:
- Contract with a domestic consumer to achieve, amongst other things, improvements in energy efficiency at the domestic premises of at least 13 per cent.
- The contract with the domestic customer must require the supplier to undertake an assessment of the energy efficiency of the consumer’s property and the provision of advice based upon this assessment.

Further information is available in the ‘Technical Guidance Manual Issue 1’ from Ofgem which can be found here.

What do energy suppliers have to offer?
To give you a flavour of the kind of partnerships that can be formed with energy suppliers through the Energy Efficiency Commitment, some suppliers have provided the following details of their EEC programmes that can be used as part of an energy services scheme.

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52 Energy services website: [http://www.est.org.uk/housingbuildings/servicepackages/](http://www.est.org.uk/housingbuildings/servicepackages/)
3.5.3 **British Gas**

*Energy efficiency aims*

British Gas is committed to tackling the issues of climate change and fuel poverty and leading the way in championing the efficient use of energy. The aim is to provide households, social housing providers and private landlords with energy efficiency products at a significantly subsidised cost to help keep homes warmer and save money on energy bills. We also aim to combat fuel poverty while helping the environment by reducing carbon dioxide emissions. British Gas’s energy efficiency programmes are flexible and suitable for social and private housing.

Organisations setting up energy services schemes can potentially pick and choose from a number of initiatives British Gas provides as part of their EEC programme.

*Developing a partnership*

British Gas partners with public, private and voluntary sectors (local authorities, housing associations, private landlords, charities and consumer groups) whenever possible, in order to integrate funding and expertise, and to establish programmes that bring sustainable solutions to entire communities.

This approach helps to bring the benefits of energy efficient homes to more households and provides consumers with a broader range of services.

**Contact**

Jon Kimber, Head of Energy Efficiency  
Telephone: 0208 734 9027  
Email: jon.kimber@centrica.co.uk  
Website: www.house.co.uk

*‘here to HELP’*

The British Gas ‘here to HELP’ programme was set up in partnership with seven major charities. It is a £150m programme that aims to address the causes of household poverty in Britain's most deprived areas.

‘here to HELP’ offers a number of benefits to housing providers and residents, including:

- Funding from British Gas on energy efficiency installation.
- Full managing agent, surveying and installer service.
- Provision of HECA and SAP information.
- Energy efficiency improvements, including provision of home appliances, eg fridges.
- Increased income through benefits assessments and energy bill discounts.
- Installation of security products, eg door locks.
- Free advice and services to vulnerable groups.

For more details please see [www.house.co.uk/HELP](http://www.house.co.uk/HELP).

**Social housing**

Through its social housing programme, British Gas aims to work in partnership with social housing providers to extend existing energy efficiency programmes and to help schemes that would not be carried out without third party funding. Funding for insulation and heating schemes across a range of measures.

**Warm a Life**

British Gas’s Warm a Life programme provides free home insulation to many households that receive benefits. By doing this, the company aims to help to keep homes warmer and save money on energy bills. For those customers whose homes they insulate, they also provide benefits assessments and a British Gas fuel discount. For more information see [www.house.co.uk/energyefficiency](http://www.house.co.uk/energyefficiency).
**Insulation**
On all insulation purchases British Gas offers:

- Significantly subsidised and competitive prices.
- The option of interest free credit on all insulation purchased and fitted through British Gas (subject to status. Terms and conditions apply).
- Up to 4 free low energy light bulbs for each household purchasing insulation.
- All cavity wall insulation comes with a 25-year guarantee.

For more information see [www.house.co.uk/energyefficiency](http://www.house.co.uk/energyefficiency).

**Lighting**
British Gas can provide local authorities and housing associations with free energy saving light bulbs for households on qualifying benefits.

**Private landlords scheme**
British Gas provides subsidised energy efficiency products to private landlords. Funding can be tailored to requirements and can cater for any portfolio of properties.

3.5.4 **Scottish and Southern**
At the time of writing, Scottish and Southern Energy (Southern Electric, SWALEC, Scottish Hydro Electric) were undertaking a review of their insulation energy services company (ESCo) offer and as such it has been placed in abeyance.

**Contact**
Steve Millward, Energy Efficiency Manager  
Telephone: 01628 428023  
Email: steven.millward@scottish-southern.co.uk  
Website: [www.scottish-southern.co.uk](http://www.scottish-southern.co.uk)

3.5.5 **EDF Energy**
EDF Energy has only one ESCo scheme approved through EEC. This is about to be launched in line with the Ofgem “28 day rule” pilot and, at the time of writing, details were still to be finalised.

**Contact**
Steve Fuller, Energy Efficiency Commitment Manager  
Telephone: 020 7247 8148  
Email: Steve.Fuller@edfenergy.com  
Website: [www.edfenergy.com](http://www.edfenergy.com)


**What should organisations setting up an energy services scheme bring to the negotiating table?**
In general, most energy suppliers will expect organisations to have a good handle on the current state of the properties they intend to market the energy services scheme to, and the status of the residents. The kind of information that suppliers may need before they are prepared to enter into an agreement could be:

- Number and state of properties in target group – eg SAP rating, current maintenance profile, current energy suppliers and for social housing, the number and length of voids, etc.
- Status of residents – eg owner-occupiers versus tenants in social housing, number eligible for benefits, number of vulnerable tenants, etc.
- Existing maintenance programme and proposed renovations.
- Feasibility study on the expected take-up of the proposed scheme.

---

54 EEC supplier contact details:  
This information is useful for suppliers to get an idea of how much impact the schemes that they are funding could have. Although this might seem like a lot of information, if you have followed the project planning section earlier in the Directory, you should find that you have already addressed many of these issues.

3.5.6 **Other sources of funding**

There is a funding database available on the Energy Saving Trust’s website, [here](http://www.est.org.uk/housingbuildings/funding/database/). This allows the user to search for the details of different funding sources in the UK and Europe by fund name, organisation type and/or measures required.

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4.0 Useful contacts

This chapter is split into three major sections and then subdivided into relevant groups:

<table>
<thead>
<tr>
<th>4.1</th>
<th>Energy efficiency improvements</th>
<th>All the contacts you need to start implementing energy efficiency measures.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Energy systems trade associations – energy management.</td>
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</tr>
<tr>
<td></td>
<td>Trade associations – energy management.</td>
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</tr>
<tr>
<td></td>
<td>Trade associations – energy efficiency measures.</td>
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<td></td>
<td>Consultants and general contacts.</td>
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<tr>
<td>4.2</td>
<td>Energy supply</td>
<td>Energy suppliers’ contact information and contacts for CHP and renewables projects.</td>
</tr>
<tr>
<td></td>
<td>General information.</td>
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<td></td>
<td>Combined heat and power (CHP).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewables.</td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Information providers</td>
<td>A range of information, advice and potential partnering organisations that offer help on many aspects of energy efficiency, sustainable construction, energy services and relevant policy.</td>
</tr>
<tr>
<td></td>
<td>Energy efficiency advice and information – government sources.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy efficiency advice and information – other sources.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable construction.</td>
<td></td>
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<tr>
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<td>Policy information.</td>
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</tr>
</tbody>
</table>

4.1 Energy efficiency improvements

4.1.1 Trade associations – energy management

Energy Systems Trade Associations (ESTA)
ESTA is an Energy Management Trade Association with a focus on demand side energy efficiency in buildings.
A: PO Box 77, Benfleet, Essex, SS7 5EX
T: 07041 492 049
F: 07041 492 050
E: info@esta.org.uk
W: www.esta.org.uk/esta/web/site-home.asp

4.1.2 Trade associations – energy efficiency measures

Association for Environment Conscious Building (AECB)
A: PO Box 32, Llandysul, SA44 5ZA
T: 0845 4569773
E: graigoffice@aecb.net
W: www.aecb.net

Association of Manufacturers of Domestic Appliances (AMEDA)
A: Rapier House, 40-46 Lamb’s Conduit Street, London, WC1N 3NW
T: 020 7405 0666
F: 020 7405 6609
E: info@amdea.org.uk
W: www.amdea.org.uk
Builders Merchant Federation
A: 15 Soho Square, London, W1D 3HL
T: 0870 901 3380
F: 020 7734 2766
E: info@bmf.org.uk
W: www.bmf.org.uk

British Rigid Urethane Foam Manufacturers’ Association (BRUFMA)
BRUFMA is the representative body for the rigid polyurethane foam (PUR) industry in the UK.
A: 2nd Floor, Portland Tower, Portland Street, Manchester, M1 3LF
T: 0161 236 7575 or 8666
F: 0161 236 9292
E: info@brufma.co.uk
W: www.brufma.co.uk

Heating and Hotwater Information Council
A: 36 Holly Walk, Leamington Spa, Warwickshire, CV32 4LY
T: 0845 600 2200
F: 01926 423 284
E: info@centralheating.co.uk
W: www.centralheating.co.uk

Council for Energy Efficiency Development (CEED)
CEED is an umbrella organisation for trade associations in the energy efficiency sector. Contact details below also cover: DPAA, EWIA, INCA, NCIA and NALIC.
A: PO Box 12, Haslemere, Surrey, GU27 3AH
T: 01428 654 011
F: 01428 654 401
E: ceedassociation@aol.com
W: dubois.vital.co.uk/database/ceed/index.html

Draught Proofing Advisory Association Limited (DPAA)
See CEED for contact details.

Eurisol UK Limited
Eurisol represents the manufacturers of high quality glass and mineral wool products.
A: PO Box 35084, London NW1 4XE
T: 020 7935 8532
F: 020 7935 8532
E: info@eurisol.com
W: www.eurisol.com

External Wall Insulation Association (EWIA)
See CEED for contact details.

Glass and Glazing Federation (GGF)
A: 44 - 48 Borough High Street, London, SE1 1XB
T: 0870 042 4255
F: 0870 042 4266
E: lchapelhow@ggf.org.uk
W: www.ggf.org.uk/index.phtml
Heating and Ventilating Contractors’ Association (HVCA)
A: Esca House, 34 Palace Court, London, W2 4JG
T: 020 7313 4900
F: 020 7727 9268
E: contact@hvca.org.uk
W: www.hvca.org.uk

Insulated Render and Cladding Association Ltd (INCA)
A: P O Box 12, Haslemere, Surrey GU27 3AH (Same as CEED).
T: 01428 654011
F: 01428 651401
E: incaassociation@aol.com
W: www.inca-ltd.org.uk

Lighting Industry Federation Ltd (LIF)
A: Ground Floor, Westminster Tower, 3 Albert Embankment, London SE1 7SL
T: 020 8288 3589
F: 020 8288 3572
E: info@lif.co.uk
W: www.lif.co.uk/

National Cavity Insulation Association (NCIA)
See CEED for contact details.
E: insulationassoc@aol.com
W: www.ncia-ltd.org.uk

National Association of Loft Insulation Contractors (NALIC)
See CEED for contact details.

European Phenolic Foam Association (EPFA)
A: Association House, 99 West Street, Farnham, Surrey, GU9 7EN
T: 01252 739148
F: 01252 739140
E: epfa@associationhouse.org.uk
W: www.epfa.org.uk

The Association of Control Manufacturers (TACMA)
A: Westminster Tower, 3 Albert Embankment, London, SE1 7SL
T: 020 7793 3007
F: 020 7793 3003
W: www.heatingcontrols.org.uk

Thermal Insulation Manufacturers and Suppliers Association (TIMSA)
A: Association House, 99 West Street, Farnham, Surrey, GU9 7EN
T: 01252 739154
F: 01252 739140
E: timsa@associationhouse.org.uk
W: www.timsa.org.uk
4.1.3 Consultants and general contacts

Energy Institute
The Energy Institute established the register of energy consultants. Please contact the Institute for more information.
A: 61 New Cavendish Street, London, W1G 7AR
T: 020 7467 7100
F: 020 7255 1472
E: info@energyinst.org.uk
W: www.energyinst.org.uk

Joint Environmental Markets Unit (JEMU)
The Environmental Industries Sector Unit (EISU) is a government unit, operating within the International Trade Group of UK Trade and Investment, with responsibility for promoting the UK environmental industry overseas. EISU replaces the DTI’s Joint Environmental Markets Unit (JEMU). This website contains a database of UK Suppliers of Environmental Goods and Services.
W: www.eisu.org.uk/eisu/index.html

Technology Partnership Initiative (TPI)
The Technology Partnership Initiative (TPI) is a government initiative which aims to link companies and organisations in industrialising and developing countries with UK companies and other organisations which provide both technologies and services, as well as the information and advice they need to deal with their environmental problems.
W: www.eisu.org.uk/tpi

4.2 Energy supply

4.2.1 General information

Association of Electricity Producers
The association is the trade association for UK electricity producers of all sizes. It embraces all UK generating technologies, conventional and innovative, including renewable energy.
A: First Floor, 17 Waterloo Place, London, SW1Y 4AR
T: 020 7930 9390
F: 020 7930 9391
E: enquiries@aepuk.com
W: www.aepuk.com

EDF Energy (formerly London Energy, SWEB Energy and SEEBOARD)
A: 40 Grosvenor Place, Victoria, London, SW1X 7EN
T: 020 7242 9050
E: keith.cullen@edfenergy.com
W: www.edfenergy.com
Scottish Power Gas & Electricity (formerly Manweb)
T: 0845 270 6543
E: walter.french@scottishpower.plc.uk
W: www.scottishpower.plc.uk

Npower (formerly Northern Electric & Gas, Yorkshire Electricity)
A: PO Box 93, Peterlee, SR8 2XX
T: 08457 145 146 (for electricity) 08457 90 60 50 (for gas)
E: david.hughes@npower.com
W: www.npower.com

Northern Ireland Electricity
T: 08457 455 455
E: homeenergy@nie.co.uk
W: www.nie.co.uk

PowerGen (formerly TXU, Midlands Gas, Amerada)
A: PO BOX 402, Warrington, WA55 1EE
T: 0800 404 5065
E: matthew.thomson@powergen.co.uk
W: www.powergen.co.uk

Scottish and Southern Energy (formerl Southern Electric, Scottish Hydro, Atlantic Electric & Gas)
A: Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ
T: 01738 456665
E: energy.services@scottish-southern.co.uk
W: www.scottish-southern.co.uk

Good Energy Limited
A: Monkton Park Offices, Monkton Park, Chippenham, SN15 1ER
T: 0845 601 1410
E: enquiries@good-energy.co.uk
W: www.good-energy.co.uk

British Gas
A: PO Box 50, Leeds, LS1 1LE
T: 0845 070 9010
E: jon.kimber@centrica.co.uk
W: www.centrica.co.uk

SWALEC
A: SWALEC, PO Box 7506, Perth PH1 3QR
T: 0800 052 5252
E: Andrew.Lloyd@scottish-southern.co.uk
W: www.swalec.co.uk

Basic Power
A: 16 Avon Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE
T: 0845 601 2421
F: 01249 445 374
E: enquiries@basicpower.co.uk
W: www.basicpower.co.uk
Opus Energy Limited
A: Unit 3A, Mercury Drive, Northampton, NN4 7PN
T: 0845 330 2655
F: 0845 223 5445
E: contactus@opusenergy.com
W: www.opusenergy.com

4.2.2 Combined Heat and Power

Combined Heat and Power Association
A: Grosvenor Gardens House, 35/37 Grosvenor Gardens, London, SW1W 0BS
T: 020 7828 4077
F: 020 7828 0310
E: info@chpa.co.uk
W: www.chpa.co.uk

CHP Club
The CHP Club is an initiative aimed at assisting users and potential users in getting the maximum benefits from CHP. They provide members with a one-stop shop, a unique combination of information, exchange of experience and advice facilities on CHP and related topics that will give everybody what they need and when they need it, all for free.
W: www.chpclub.com

4.2.3 Renewables

Renewable Energy Association
A: 17 Waterloo Place, London, United Kingdom, SW1Y 4AR
T: 020 7747 1830
F: 020 7925 2715
W: www.r-p-a.org.uk

The British Photovoltaic Association (PV-UK)
A: National Energy Centre, Davy Avenue, Knowlhill, Milton Keynes, MK5 8NG
T: 01908 442291
F: 0870 0529193
E: enquiries@pv-uk.org.uk
W: www.pv-uk.org.uk

The British Wind Energy Association
A: Renewable Energy House, 1 Aztec Row, Berners Road, London, N1 0PW, UK
T: 020 7689 1960
F: 020 7689 1969
E: info@bwea.com
W: www.bwea.com

CADETT – UK National Team
CADETT is an international energy agency responsible for renewable energy information dissemination. The CADETT-UK team is working to promote the UK renewable and sustainable energy industry internationally by publicising good practice projects.
W: www.caddet-ee.org

Energy from Waste Association
A: 92 Horseferry Road, London, SW1P 2EE
T: 020 7976 0036.
AEA Energy & Environment
AEA Energy & Environment provides a wide range of complementary skills and expertise to help tackle energy and environmental issues, including renewable energy solutions for the built environment.
A: The Gemini Building, Fermi Avenue, Harwell International Business Centre, Didcot, OX11 0QR
T: 0845 345 3302
F: 0870 190 6318
W: www.aea-energy-and-environment.co.uk

Solar Trade Association
A: The National Energy Centre, Davy Avenue, Knowhill, Milton Keynes, MK5 8NG
T: 01908 442290
F: 0870 0529194
E: enquiries@solartradeassociation.org.uk
W: www.solartradeassociation.org.uk

4.3 Information providers

4.3.1 Energy efficiency advice and information – government sources

Energy Efficiency Advice Centres (EEACs)
A national network of local energy advice centres. They can offer practical advice on energy efficiency and relevant programmes in the local area. Call the national number to find your local EEAC.
T: 0800 512 012
W: www.est.org.uk/myhome/localadvice/

The Carbon Trust
The Carbon Trust provides a free service to help businesses improve environmental performance and reduce energy use, including free advice and publications.
T: 0800 085 2005
W: www.thecarbontrust.co.uk/default.ct

Energy efficiency best practice in housing
A source for the tools, training and support needed to deliver the best in energy efficiency in housing.
T: 0845 120 7799
W: www.est.org.uk/housingbuildings/professionals/

Envirowise
Offers free advice and information to business to help reduce waste. Also runs the energy and environment helpline.
T: 0800 585 794
W: www.envirowise.gov.uk/

Practical help
An Energy Saving Trust funded initiative, providing practical information and support on every aspect of sustainable and renewable energy.
T: 0870 241 2089
F: 0870 130 8831
E: practicalhelp@est.org.uk
W: www.est.org.uk/housingbuildings/localauthorities/
4.3.2 Energy efficiency advice and information – other sources

Global Action Plan
Global Action Plan is a charity that helps people to take practical action for a better environment. They provide practical advice and energy saving tips.
A: 8 Fulwood Place, London, WC1V 6HG
T: 020 7405 5633
F: 020 7831 6244
E: alli@globalactionplan.org.uk
W: www.globalactionplan.org.uk/

Groundwork UK
Groundwork is an environmental regeneration charity, involved in projects of all sizes. Their network of local Trusts works in partnership with local people, local authorities and business to promote economic and social regeneration by improvements to the local environment.
A: Lockside, 5 Scotland Street, Birmingham B1 2RR
T: 0121 236 8565
F: 0121 236 7356
E: info@groundwork.org.uk
W: www.groundwork.org.uk/

4.3.3 Sustainable construction

BRE (Building Research Establishment)
A: BRE, Garston, Watford WD25 9XX
T: 01923 664000
W: www.bre.co.uk/service.jsp?id=34

Constructing Excellence (CE)
CE raises awareness of the benefits of best practice and provides guidance and advice to UK construction and client organisations so that they have the knowledge and skills required to implement change.
A: 25 Buckingham Palace Road, Victoria, London, SW1W 0PP
T: 0845 605 55 56
T: 020 7592 1100
F: 020 7592 1101
E: helpdesk@constructingexcellence.org.uk
W: www.constructingexcellence.org.uk/

Royal Institute of Chartered Surveyors
A: RICS Contact Centre, Surveyor Court, Westwood Way, Coventry, CV4 8JE
T: 0870 333 1600
F: 020 7334 3811
E: contacts@rics.org
W: www.rics.org

Royal Institute of British Architects
A: 66 Portland Place, London, W1B 1AD
T: 020 7580 5533
F: 020 7255 1541
E: info@inst.riba.org
W: www.riba.org/go/RIBA/Home.html
Sustainable Homes
Sustainable Homes promotes awareness of sustainable development issues and good practice as well as encouraging housing associations to adopt sustainable policies and practices.
A: Hastoe Housing Association, 7 High Street, Teddington, Middlesex, TW11 8EE
T: 020 8973 0429
F: 020 8943 2163
E: info@sustainablehomes.co.uk
W: www.sustainablehomes.co.uk

4.3.4 Policy information

Department for Environment, Food and Rural Affairs (Defra)
A: Nobel House, 17 Smith Square, London, SW1P 3JR
T: 08459 33 55 77
E: helpline@defra.gsi.gov.uk
W: www.defra.gov.uk

Department of Trade and Industry (DTI)
A: Response Centre, 1 Victoria Street, London, SW1H OET
T: 020 7215 5000
E: dti.enquiries@dti.gsi.gov.uk
W: www.dti.gov.uk

The Office of Gas and Electricity Markets (Ofgem)
A: 9 Millbank, London, SW1P 3GE
T: 020 7901 7000
F: 020 7901 7066
W: www.ofgem.gov.uk

Department for Transport
A: Great Minster House, 76 Marsham Street, London, SW1P 4DR
T: 020 7944 8300
F: 020 7944 9643
W: www.dft.gov.uk

Government Offices for the Regions
For information on regional energy and environmental events contact your local government office. They will also have information on government programmes and tender deadlines.

Government Office for London
A: Riverwalk House, 157-161 Millbank, London, SW1P 4RR
T: 020 7217 3328
E: enquiries@gol.gsi.gov.uk
W: www.gos.gov.uk/gol

Government Office for the East of England
A: Eastbrook, Shaftesbury Road, Cambridge, CB2 2DF
T: 01223 372500
F: 01223 372501
W: www.go-east.gov.uk
Government Office for the East Midlands
A: The Belgrave Centre, Stanley Place, Talbot Street, Nottingham, NG1 5GG
T: 0115 971 9971
F: 0115 971 2404
E: enquiries.goem@go-regions.gsi.gov.uk
W: www.goem.gov.uk

Government Office for the North East
A: Gallowgate, Newcastle upon Tyne, NE1 4TD
T: 0191 201 3300
F: 0 191 202 3998
E: general.enquiries@gone.gsi.gov.uk
W: www.go-ne.gov.uk

Government Office for the West Midlands
A: 5 St Philip's Place, Colmore Row, Birmingham, B3 2PW
T: 0121 352 5050
E: enquiries.team@gowm.gsi.gov.uk
W: www.go-wm.gov.uk

Government Office for the North West
A: City Tower, Piccadilly Plaza, Manchester, M1 4BE
T: 0161 952 4000
F: 0161 952 4099
E: gonwmailbox@gonw.gsi.gov.uk
W: www.gos.gov.uk/gonw

Government Office for the South West
A: 2 Rivergate, Temple Quay, Bristol, BS1 6EH
T: 0117 900 1700
F: 0117 900 1900
E: swcontactus@gosw.gsi.gov.uk
W: www.gosw.gov.uk

Government Office for Yorkshire and Humberside
A: PO Box 213, City House, New Station Street, Leeds, LS1 4US
T: 0113 280 0600
F: 0113 283 6394
E: yhenquiries@goyh.gsi.gov.uk
W: www.goyh.gov.uk

Useful contacts in the devolved administrations

Scottish Executive
A: St. Andrew's House, Regent Road, Edinburgh, EH1 3DG
T: 08457 741 741
F: 01397 795 001
E: ceu@scotland.gsi.gov.uk
W: www.scotland.gov.uk
National Assembly of Wales
A: National Assembly for Wales, Cardiff Bay, Cardiff, CF99 1NA
T: 029 20 825111
W: www.wales.gov.uk/index.htm

The Northern Ireland Housing Executive
A: The Housing Centre, 2 Adelaide Street, Belfast, BT2 8PB
T: 028 9024 0588
W: www.nihe.gov.uk

Communities Scotland
A: Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HE
T: 0131 313 0044
F: 0131 313 2680
W: www.communitiesscotland.gov.uk

4.3.5 General information and support

Association for the Conservation of Energy
A: Westgate House, 2a Prebend Street, London, N1 8PT
T: 020 7359 8000
F: 020 7359 0863
E: info@ukace.org
W: www.ukace.org

Building Research Establishment (BRE)
A: Garston, Watford, WD25 9XX
T: 01923 664000
E: enquiries@bre.co.uk
W: www.bre.co.uk

Eaga group
W: www.eagagroup.com

Energy Saving Trust

General enquiries
A: 21 Dartmouth Street, London, SW1H 9BP
T: 020 7222 0101
F: 020 7654 2460
E: info@est.org.uk
W: www.est.org.uk

Practical help
A: 12 Abbeville Mews, 88 Clapham Park Road, SW4 7BX
T: 0870 240 4129
F: 0870 130 8831
E: practicalhelp@est.org.uk
W: www.est.org.uk/housingbuildings
Energy Efficiency Partnership for Homes
A: c/o Energy Saving Trust, 21 Dartmouth Street, London, SW1H 9BP
T: 020 7222 0101
F: 020 7654 2444
E: partnership@est.org.uk
W: www.eeph.org.uk

The Housing Corporation
A: Maple House, 149 Tottenham Court Road, London W1T 7BN
T: 0845 230 7000
W: www.housingcorp.gov.uk

National Energy Action

NEA Headquarters
A: St Andrew's House, 90-92 Pilgrim Street, Newcastle upon Tyne, NE1 6SG
T: 0191 261 5677
F: 0191 261 6496
W: www.nea.org.uk

NEA Northern Ireland
A: 64-66 Upper Church Lane, Belfast, BT1 4QL
T: 028 90 239909
F: 028 90 439191

NEA Wales
A: Bryn Deicws, Gwyddelwern, Corwen, Denbighshire, LL21 9DU
T: 01490 413223

Energy Action Scotland
A: Suite 4a, Ingram House, 227 Ingram Street, Glasgow, G1 1DA
T: 0141 226 3064
F: 0141 221 2788
E: eas@eas.org.uk
W: www.eas.org.uk

National Energy Services

General Enquiries
A: National Energy Centre, Davy Avenue, Milton Keynes, MK5 8NA
T: 01908 672787
F: 01908 662296
E: enquiry@nesltd.co.uk
W: www.nesltd.co.uk

National Home Energy Rating (NHER) Scheme
W: www.nher.co.uk
## 4.4 Glossary

<table>
<thead>
<tr>
<th><strong>Affordable warmth</strong></th>
<th>Affordable warmth is the converse of fuel poverty. There is a view that a strategy to tackle fuel poverty is better presented in terms of ensuring that everyone can afford to adequately heat his or her home.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BRE</strong></td>
<td>The Building Research Establishment. See <a href="#">Useful contacts</a>.</td>
</tr>
<tr>
<td><strong>CFL</strong></td>
<td>Compact fluorescent lamp. This is a low energy light bulb. There are now many types on the market, designed for different situations. Not all types are suitable for common light fittings.</td>
</tr>
<tr>
<td><strong>CHP</strong></td>
<td>Combined heat and power. A system that generates electricity and uses the heat produced during this process in a productive way, eg for local heating.</td>
</tr>
<tr>
<td><strong>Code for Sustainable Homes</strong></td>
<td>In December 2006, the Department for Communities and Local Government (DCLG) launched the Code for Sustainable Homes which is based on the EcoHomes system. A one-star rating requires that a house be built to 10 per cent above Building Regulation standards. A six-star rating would be a zero-carbon development.</td>
</tr>
<tr>
<td><strong>CO₂</strong></td>
<td>Carbon dioxide. The main gas affecting climate change. Man-made emissions of CO₂ are mainly due to burning fossil fuels.</td>
</tr>
<tr>
<td><strong>EcoHomes</strong></td>
<td>EcoHomes is an environmental rating scheme for new housing developments. It sets best practice criteria for a range of environmental issues and considers the broad environmental concerns of climate change, resource use and impact on wildlife, but balances these against the needs for a high quality, safe and healthy internal environment. Full details can be obtained from BRE, here: <a href="http://www.breeam.org/ecohomes.html">www.breeam.org/ecohomes.html</a>. Please see the Code for Sustainable Homes.</td>
</tr>
<tr>
<td><strong>EEC</strong></td>
<td>Energy Efficiency Commitment. Under EEC for 2005 to 2008, electricity and gas suppliers are required to achieve targets for the promotion of improvements in domestic energy efficiency.</td>
</tr>
<tr>
<td><strong>EESoP</strong></td>
<td>Energy Efficiency Standards of Performance. EESoP ran from 1994 until 2002, delivering energy efficiency measures to households across Great Britain. Replaced by EEC.</td>
</tr>
<tr>
<td><strong>ESCO</strong></td>
<td>Energy services company. Term was commonly used for any energy services initiative, but is now used less widely to avoid appearing to exclude initiatives that do not operate through a company specifically established for the purpose.</td>
</tr>
<tr>
<td><strong>EST</strong></td>
<td>Energy Saving Trust. EST was set up by the UK Government after the 1992 Rio Earth Summit and is one of the UK's leading organisations addressing the damaging effects of climate change. Its goal is to achieve the sustainable and efficient use of energy as well as to reduce carbon dioxide emissions, which are a key contributor to global warming. It is a non-profit organisation funded by Government and the private sector.</td>
</tr>
<tr>
<td>Fuel poverty</td>
<td>A household is ‘fuel poor’ when it needs to spend 10 per cent or more of its income to meet fuel costs. Fuel poverty is caused by a combination of low incomes and high heating costs, and is often exacerbated by poor quality housing.</td>
</tr>
<tr>
<td>HECA</td>
<td>Home Energy Conservation Act 1995. It places an obligation on local authorities to draw up plans to increase domestic energy efficiency by 30 per cent over 10-15 years. The objectives of the act are to reduce emissions of carbon dioxide and hence help to combat climate change, while also reducing fuel poverty.</td>
</tr>
<tr>
<td>HEES</td>
<td>Home Energy Efficiency Scheme in Wales run by the Eaga group.</td>
</tr>
<tr>
<td>OFGEM</td>
<td>Office of Gas and Electricity Markets. It is the government appointed regulator of the gas and electricity supply markets.</td>
</tr>
<tr>
<td>RSL</td>
<td>Registered Social Landlord</td>
</tr>
<tr>
<td>SAP</td>
<td>The Standard Assessment Procedure. The rating is on a scale of 1 to 100 where 1 is ‘very poor’ and 100 is ‘excellent’. Dwellings can achieve a rating of up to 120 if they are a net exporter of energy. Reduced Data SAP (RDSAP), which is used for existing buildings, and SAP are the means used to calculate the energy performance rating to be displayed on energy performance certificates.</td>
</tr>
<tr>
<td>Warm Deal</td>
<td>Warm Deal is the Scottish Executives grant programme for tackling fuel poverty in Scotland. It is run by British Gas.</td>
</tr>
<tr>
<td>Warm Front</td>
<td>Warm Front is the Government’s main grant-funded programme for tackling fuel poverty in England. The scheme was launched in June 2000 and is run by the Eaga group.</td>
</tr>
</tbody>
</table>