

# APSE Energy – The Big Energy Summit

## Communities & Energy

26<sup>th</sup> February 2015

Councillor Gavin Eley

Cabinet Member for Street Scene, Waste Management & Communications

Peterborough City Council

Director, Blue Sky Peterborough

UK Environment City

to

UK Environment Capital



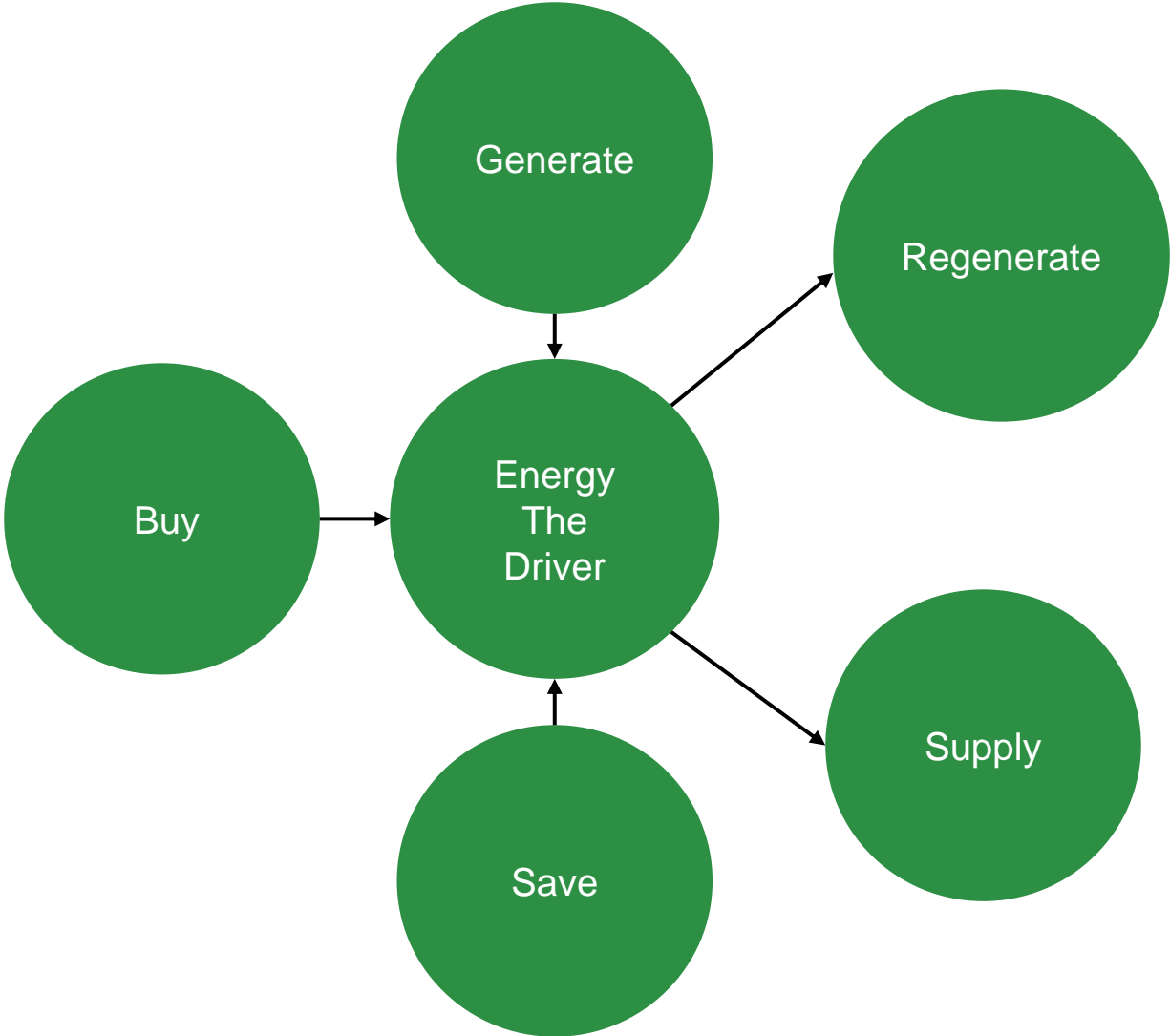
# Energy Strategy

The Peterborough approach:-

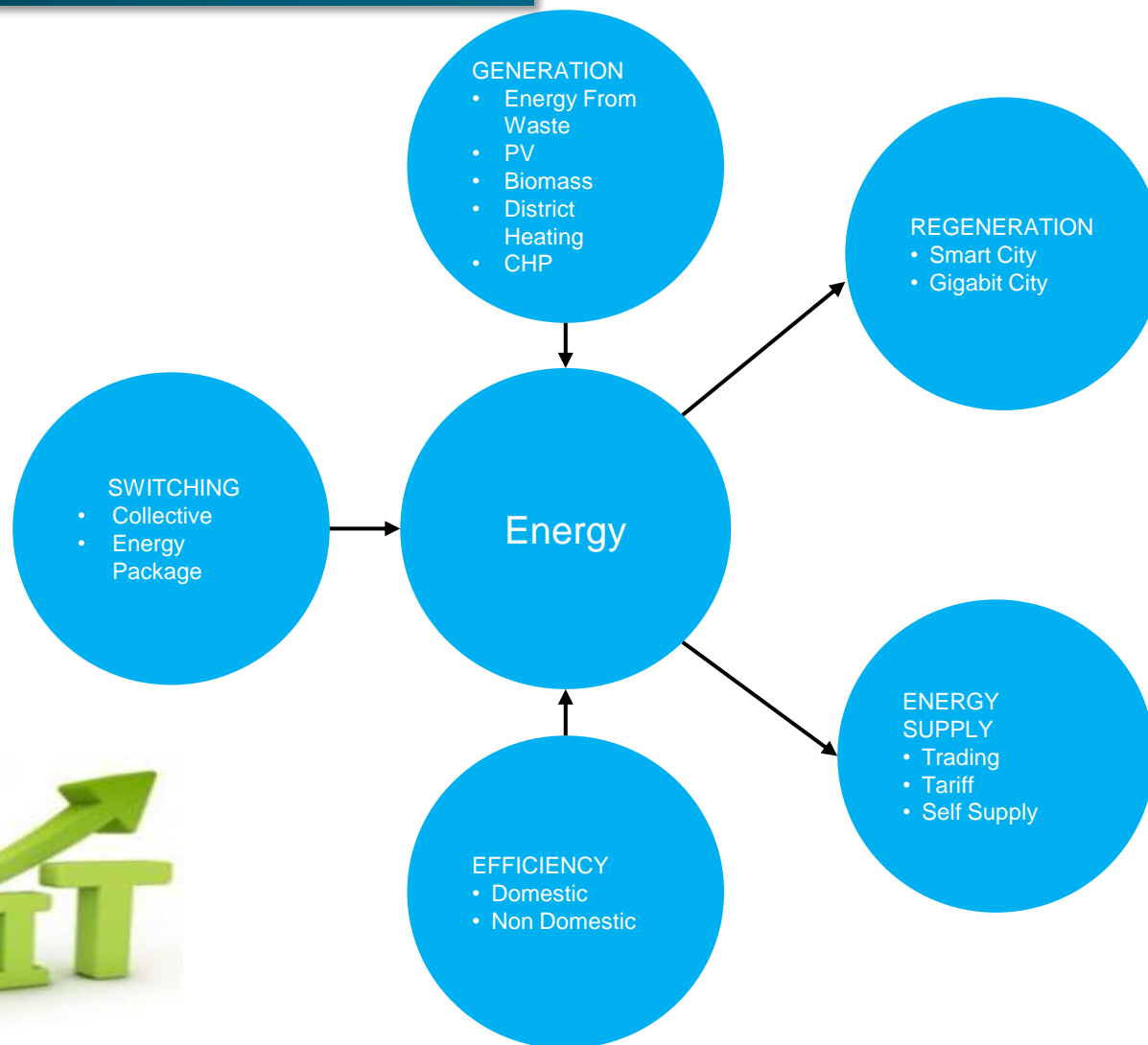
- Generate Renewable Energy
- Reduce Energy Consumption
- Enable regeneration
- Reduce carbon
- AND:
- Get financial benefits to the city
- AND LAST BUT NOT LEAST!!!
- Make and save money!



# Energy : The drivers for the Council

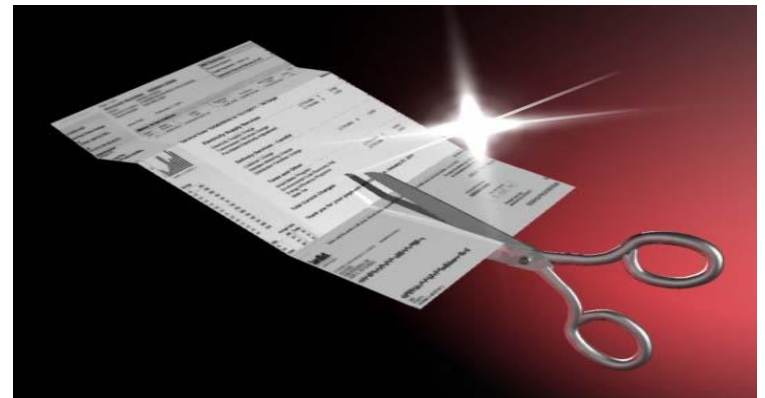


# Energy : The drivers for the Council



## Making a difference for Communities

- COLLECTIVE SWITCHING
- GREEN DEAL COMMUNITY FUND
- FREE PRIVATE RESIDENTIAL ROOF PV
- OVO ENERGY TARIFF



- Number of switching rounds = 8
- Estimated total energy savings of £752K
- 6062 switches across all authorities
- Current average saving per household per annum £207
- 443 local switches – (from first 7 rounds)

- Succeeded in a £3.9 million GDCF bid to DECC
- Target Area of 11000 'hard to treat' homes, predominantly of solid wall insulation
- Phase 1 focuses on 10 streets comprising of 3000 homes
- Expectations are to install measures to 1500 to 2000 homes
- Together with ECO Funding and Green Deal Finance Plans, the total project is worth approx. £12 million



- 10 'showhomes' to be given a free makeover comprising of external wall insulation, loft insulation, window replacement and boiler replacement
- Appointed two Green Deal Providers and EWI installers, EON and Mark Group on a four year framework open to all authorities in the UK
- Framework will have provision to include any measures undertaken under the recently announced Green Deal Home Improvement Fund and any future funding streams
- Target date of delivery September 2015

- ECO Funding of £50 per carbon tonne worth approximately £2500 to each home
- Green Deal Community Fund worth approximately £3500 to each home
- Total Contribution to each home is £6000
- Green Deal Finance to top up the difference, Green Deal Plan meets the 'golden rule' where interventions made on any home ensure energy bills are £100 below previous bills while paying of the GDP

- Strategic Partnership Agreement with Empower Community Management LLP
- First Free Area Wide Private Residential Solar PV scheme of its type in the UK
- Scheme benefits a Local Community Fund, Property Owner and / or Occupier and the Council
- Initial pilot area within the Peterborough GDCF bid area – 1500 properties
- Further roll out across the City expected during 2015
- Model is available for other Council's – no procurement

- Occupiers receive the free energy generated, typically circa £200 per annum
- Owners receive an income of £100 every 5 years
- Based on an initial take up of 1500 properties in the pilot area, the Local Community Fund will generate income of £1,052,000 over the 20 years of the scheme
- The Council also will benefit from an income of £1,052,000 over the lifetime of the scheme
- Short term investment income of funding the SPV of approximately £83,000 will be received



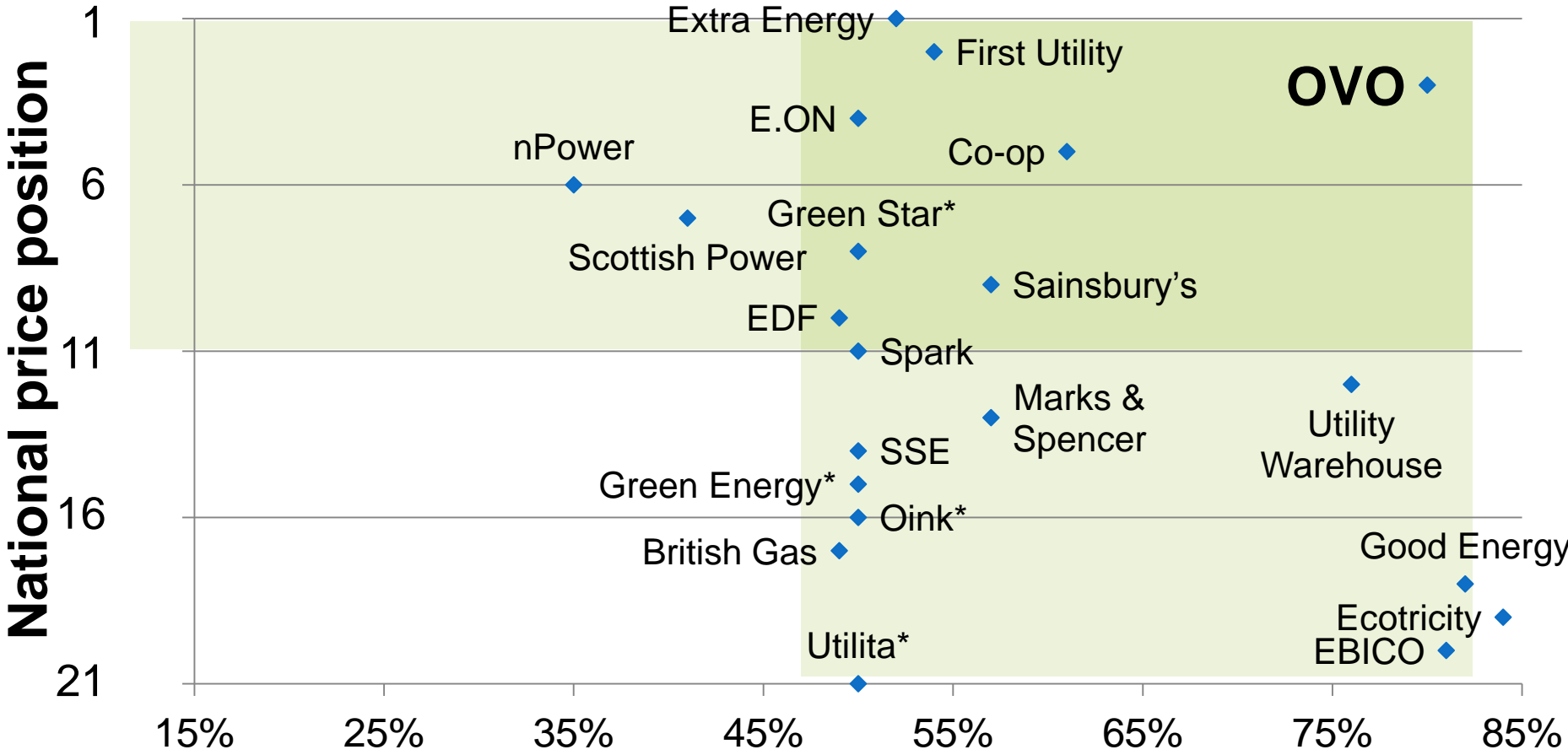
- Strategic Partnership Agreement between OVO and PCC agreed in January 2015
- Project 1:-
  - cheaper domestic energy tariffs for private residents



- OVO consistently one of cheapest suppliers for dual fuel and single fuel in the energy market
- OVO regularly the cheapest in the market for pre-payment tariffs
- OVO accolades in 2014:-
  - First and only energy supplier to be a Recommended Provider by consumer organisation Which?
  - Highest marks for overall customer satisfaction for ‘Uswitch 2014 awards’ and winner of ‘Supplier of the Year’
  - Number one for customer service MoneySavingExpert.com
  - Number one for customer satisfaction in Energy Helplines awards



- For dual fuel supply the Peterborough Energy tariff should be £300+ cheaper than Big 6 variable rate tariffs, which around two-thirds of customers nationally are still on
- The prepayment tariff will be one of the cheapest in the marketplace and will also involve having smart meters installed



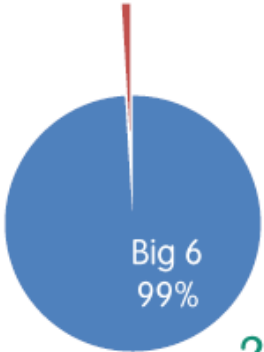
**Which? customer satisfaction score**

\* No satisfaction score available  
 Sources: Which? Energy Satisfaction Survey 2015, EnergyLinX 19<sup>th</sup> January 2015  
 Prices are national averages for a customer using 3,200 kWh electricity and 13,500 kWh gas

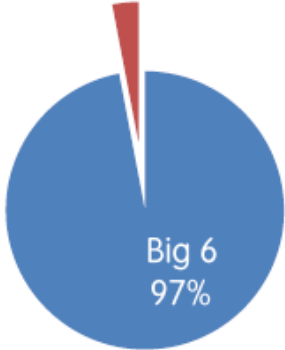




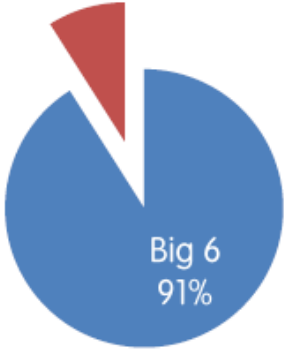
# The effect of independents in the Marketplace



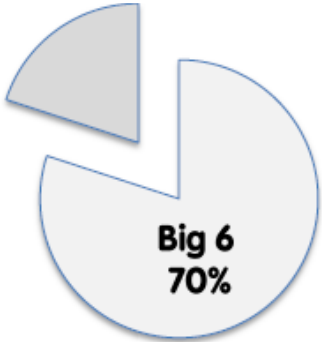
2008



Summer 2013



Autumn 2014



2020  
Citibank  
prediction

Charts show energy  
supplier domestic  
market share



AVERAGE DUAL FUEL BILL = £1264		
Project	Saving	% saving on dual fuel bill
GDCF	£100	8%
Free Residential Solar PV	£200	16%
OVO Tariff Vs Big 6 variable tariff	£300	24%

Partners



# Next steps

## **Councillor Gavin Elsey**

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