



PLANS FOR A GREENER BRITAIN UNVEILED

THE long-awaited energy white paper, the first for thirty-five years, was published in February. It outlines the Government's plans to switch to cleaner forms of energy and wind down Britain's reliance on fossil fuels and nuclear power.

It sets several targets, including cutting the amount of carbon dioxide released into the atmosphere to 60% of 1990 levels by 2050 and getting 10% of our electricity from renewable sources by 2010, rising to 20% by 2020.

It also advocates a five-year moratorium on building more nuclear power stations and greater energy efficiency.

MAIN AIMS

Following the Kyoto summit four years ago, Britain acknowledged the need for a drastic cut in CO2 emissions. ESPO's energy team leader, David Kwiatek, says: "The white paper sets a very aspirational target. To get anywhere near it we must use energy more efficiently."

Issues with distribution and transmission systems – and the fact that Britain is on the edge of Europe – mean that we are more vulnerable than most other EU countries. Reliability and security of supply are high on the paper's priority list.

The white paper also aims to encourage competition in both UK and overseas markets, particularly Europe.

And finally, the Government wants to ensure that, in the foreseeable future, all homes will be adequately and affordably heated.

WHERE WILL OUR FUTURE ENERGY COME FROM?

By 2020, 75% of the UK's primary energy will be imported. We will be a net importer of gas by 2006 and of oil by 2010. This move away from North Sea gas and oil, combined with the cost of infrastructure improvements (for example to facilitate growth in renewable energy) is bound to push up prices to the consumer.

KEY POINTS

- Drastic cut in CO2 emissions
- No new nuclear power stations for the time being
- More power from wind, waves, etc
- New moves to cut energy use and waste

Although CHP (combined heat and power) schemes are seen as an important way forward, their growth will be uncertain unless incentives are provided.

To obtain 20% of our energy from renewable sources by 2020 (up from the present 3%), there will have to be increased investment and reforms to planning rules to make it easier to develop green projects.

CHANGES AND INITIATIVES

Vehicle manufacturers will be encouraged to improve the efficiency of cars and vans. Moves to improve energy efficiency will include developing standards for building new homes, refurbishments and electrical products.

There will be investment aid to help develop new reserves of coal at existing viable pits, supporting measures to introduce cleaner coal technology.

A New Energy Research Centre will be created to develop 'next generation' technology for energy sources.

SO IS IT GOOD OR BAD?

David Kwiatek says: "The white paper contains something for everyone – but nobody has welcomed it wholeheartedly."

"The Government is sitting on the fence on nuclear power, at least for the next five years, but it ought to be possible to find a middle way, perhaps by replacing some old nuclear plant with new-generation reactors on the same site. This would get round the problem of a potential shortfall in energy whilst renewables projects are given time to develop."



The long-awaited energy white paper

However, analysts fear that some targets cannot possibly be achieved without nuclear power and consumers would see electricity prices rising if all plants were decommissioned. The paper predicts rises of up to 15% to households, and up to 25% to industrial premises. Industrial gas prices could also rise by up to 30% by 2020.

David Kwiatek adds: "In the long run, our objective must be for all energy to come from renewable sources. Whilst such a target is not presently realistic, we must nevertheless increase our renewable capacity as part of a balanced energy portfolio to ensure future diversity and security of supply."

"The Government now needs to set firm dates for its targets to be met."

IN BRIEF

Gas prices rise

DOMESTIC gas prices rose in April after Powergen increased its tariff by 6.2% and Npower followed suit with a 4.3% hike. Both companies blamed the increase on wholesale gas price movements but Energywatch, the consumer watchdog, has expressed concerns.

On duty

IN his April budget package, the Chancellor raised the duty on gas oil by 1.09 pence to 4.22 pence per litre.

He deferred an increase on road fuels duty until October this year, when ultra-low sulphur petrol, ultra-low sulphur diesel and biodiesel will all rise by 1.28 pence to 47.10p, 47.10p and 27.10p per litre respectively.

In a further bid to encourage cleaner cars, he cut to £55 the annual vehicle excise duty (VED) on models which emit less than 100g/km of CO2. At the same time he hit owners of the most polluting vehicles (over 186g/km of CO2) with an increase to £165.

No change in FFL

THE Fossil Fuel Levy stayed at zero from April 1. Introduced by the Government to support renewable energy commitments, FFL is collected by Ofgem from licensed electricity suppliers. However, the energy regulator decided there was no need to collect the tax in England, Wales or Scotland since sufficient funds were already being raised under the Renewables Obligation scheme.

This means there will be no additional charge on consumers' electricity bills for at least another year.

Biofuels targets

IN its recent directive on green transport, the EU sets progressive benchmarks for the introduction of biofuels derived from agricultural, forestry and organic waste.

Member states will set their own targets for their market share of biofuels with a view to reaching the directive's suggested 2% by December 2005 and 5.75% by 2010.

North Sea power link

THE UK could be supplying electricity to Norway, via a 750km subsea power cable, by the end of 2007. If approved, the joint venture - between Norway's Statnett and Britain's National Grid Transco - will help to lessen the impact of major fluctuations in rainfall which make Norwegian power generation unpredictable.

WHO CAN TURN OFF THE GAS?

ESPO is asking major gas customers to ensure that their contact details are up to date.

Should an acute gas shortage occur, large consumers may be asked to turn off their supply to safeguard domestic properties and priority sites, such as hospitals.

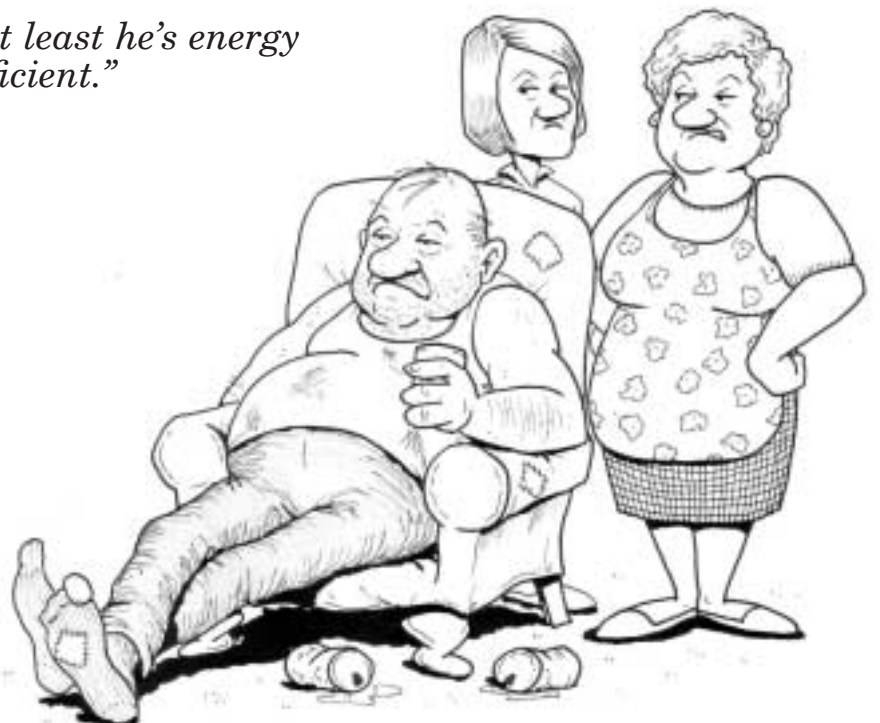
Such action will only be taken in an emergency but it is essential that the gas transporter, Transco, has access to

accurate information, including names and telephone numbers of individuals who know how to turn off the gas supply.

If your site has a gas contract arranged by ESPO, please check that the current contact information is correct and advise us of any changes immediately.

You can find out more about gas supply emergencies and gas safety from two web sites: www.transco.uk.com and www.ofgem.gov.uk

"At least he's energy efficient."



British Energy back from the brink

AT the end of November last year EU commissioners sanctioned the UK Government's plan to rescue the stricken nuclear generator, British Energy.

BE, which produces more than a fifth of Britain's electricity, ran into trouble early in 2002 when wholesale power prices fell below the cost of production. Unlike other power companies, BE has no retail arm and was therefore unable to offset losses by increasing retail prices.

An emergency credit facility of £650 million, granted last September and due to expire on November 28, was extended to March 9, 2003, to give the company time to decide its future whilst continuing to operate safely and ensure electricity supplies were maintained. BE subsequently sold its 82% share in the Canadian generator, Bruce Power, in order to clear its debt to the Government which, in turn, was then able to offer BE a lower credit facility of £200 million until September, 2004.

The deal, which also includes an undertaking by the Government to underwrite BE's nuclear clean-up liabilities of around £2.1 billion, will cost taxpayers up to £200 million a year until 2013.

After the announcement, shares in BE fell 50% to just 8p

and some environmental groups joined BE's competitors in condemning the aid as unfair. As we go to press, there is still a possibility that Greenpeace and others may mount a legal challenge to the rescue package.

Ewan McConnell, general manager of BE's direct supply business, reassured customers that it was 'business as usual' with no change to prices or terms.

By mid-February, BE had reached 'standstill' agreements with significant creditors and bondholders and the Government said it would submit restructuring plans by March 9, well within the six months stipulated by the EU last November.

In March, BE appointed Mike Alexander, formerly chief operating officer of Centrica, as its new chief executive and there was further positive news as the company announced a four-year contract to sell up to 15% of its power output to Centrica. The deal, worth about

£700 million and due to start in April, was seen as a huge boost to BE's stability.

Most recently, the Electricity (Miscellaneous Provisions) Bill was granted Royal Assent, clearing the way for the Government to support British Energy in any restructuring it may undergo or to simplify the legislative processes facing the company should it go into administration.

"Whatever happens nuclear power stations will continue to generate electricity. Customers' lights will stay on."

- Patricia Hewitt,
Trade and Industry Secretary.



The lights are still on at Sizewell B, British Energy's flagship power station. Photo courtesy of British Energy

Britain runs close to the wire

Closures could mean shortages

BRITAIN could run out of electricity in a severe winter, warns a study by economic consultancy Nera.

The report, commissioned by Powergen, says that the closure of old, uneconomic plants could lead to electricity shortages as early as 2004. It adds that the potential problem is compounded by low investment due to depressed prices, over-capacity and the effect of the new electricity trading arrangements (NETA).

Evidence gathered by Nera on future closures and investment plans points to demand exceeding capacity by 2007. However, the consultancy says that shortages could arise earlier if unforeseen breakdowns at power stations coincide with severe weather. It urges the reintroduction of some form of capacity payment to generators, which would make it economically viable to keep plant available for emergencies.

Record demand

BRITAIN hit an all-time record peak demand for electricity of 51,523 megawatts between 5.00 and 5.30 pm on Monday December 17, beating the record set the previous Tuesday by 108 megawatts.

A National Grid spokesman claimed that accurate weather forecasting helped to predict peaks in demand and prevent shortages.

Demand nearly outstrips supply

LAST winter's cold snaps saw power demand come dangerously close to exceeding the available supply, sending wholesale electricity prices surging.

In December, the wholesale price for immediate supply rocketed to £390 per megawatt/hour, compared with the normal £20 off-peak price. The National Grid issued several 'nisms' – notification of insufficient system margin – to generators, calling for more electricity to be made available.

In early January, as Britain battled with the coldest temperatures of the winter, the National Grid again had to issue more nisms to get an additional 1,500 megawatts onto the network.

Operational faults on the interconnector with France and mothballed capacity at 'uneconomic' power stations further contributed to the difficulties.

However, advocates of the 'market' system for price setting argue that mothballing and reductions in capacity are simply signs that the market is working and that, as capacity reduces, prices will increase and incentivise investment.

But can investment decisions be made soon enough for the capacity to be available? Can sufficient excess be retained to cover peaks in demand? Watch this space!

COAL BITES BACK

THE black stuff has become a more competitive source of power lately, forcing the Government to re-think its plans to close many coal-fired stations.

After proposing, in November 2000, to get rid of 14 gigawatts of coal plant by 2010, the Energy Minister has conceded that an upsurge in coal usage means a review is necessary.

Under NETA, coal-fired stations have proved to be the most competitive way of generating electricity and only two have been taken out of service. High Marnham and Drakelow, with a combined output of 2 gigawatts, were acquired by Powergen from TXU last year.

The results of this review will also impact on preparation for the EU emissions trading scheme and the reassessment of the UK's climate change programme. However, if Britain continues to support coal-fired generators after 2008, the EU will demand that costly clean-up technologies are used.



Coal is still being produced economically at pits like Thoresby, Lincolnshire. Photo courtesy of UK Coal

New rights for energy customers

LAST year, ESPO urged Ofgem to protect local authorities against erroneous or unauthorised transfers from one supplier to another (reported in *Energy Matters* 8). The supply of gas and electricity has, up to now, been unique in that a new supplier can take over without the customer consenting to the change.

The energy regulator has responded to complaints from industrial and commercial consumers and proposes to stop electricity and gas companies preventing customers from moving to a new supplier.

The new arrangements will mean that the customer will have more control in future.

John Neilson of Ofgem said: "Customers should be able to negotiate freely the terms of their

energy contracts rather than being dictated to by licences or industry agreements.

"Disputes between customers and suppliers, over matters such as outstanding debt, should be resolved through normal commercial and legal routes."

ESPO has responded to Ofgem's consultation exercise on this subject. Energy team leader David Kwiatek says: "Although we believe Ofgem is sympathetic to our point of view, there are considerable difficulties ahead in that suppliers, who do not support the changes, are a powerful lobby against change, whilst the very large industrial consumers would prefer to see the suppliers' powers removed altogether.

"We await the results with interest!"

Gaz de France expands...

GAZ de France, already one of the leading suppliers to Britain's major gas consumers, is now selling electricity in the UK, along with specialist energy and risk management services.

The move comes following its acquisition of RWE Trading Direct, a company set up by the former Yorkshire Electricity team.

Gaz de France is one of the world's largest gas suppliers, serving over 12 million customers in 30 countries.

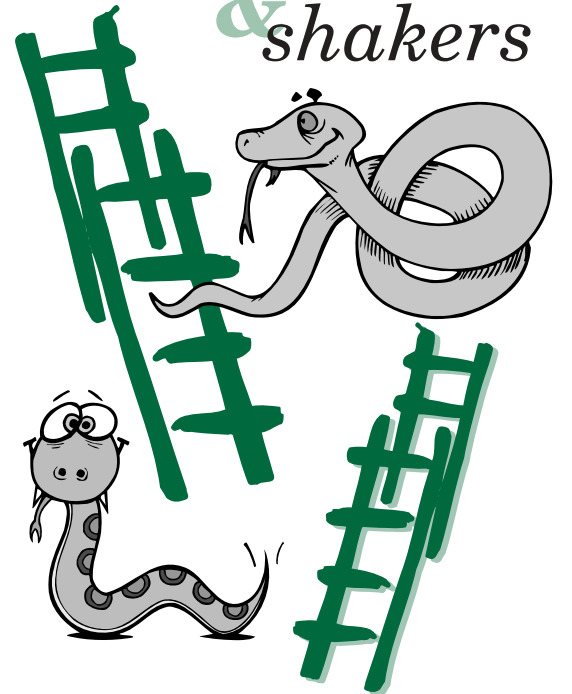
...as does

TotalFinaElf

TOTALFINAELF has acquired Mobil Gas from its previous US owner, Exxon Mobil.

The deal means the French oil and gas group now supplies 54,000 UK industrial and commercial sites.

Movers & shakers



Switching off

POWERGEN is to 'mothball' two of the coal-fired power stations it acquired with the purchase of TXU Europe six months ago.

Two of Powergen's original plants, Killingholme and Grain, appear to have won a reprieve.

Law keeps oil in check

THE Government has introduced new oil storage regulations requiring all tanks at commercial installations to be banded by September 2005.

Any tank situated less than 10 metres from inland or coastal water or less than 50 metres from a well or borehole – including those on domestic premises – will have to comply by September 1 this year.

However, in certain ultra-sensitive circumstances, the Environment Agency has powers to demand instant action. Any tank installed since September 1, 2001, must also comply immediately.

The regulations, which came into force in March last year, support the Agency's campaign to reduce the number of oil pollution incidents. They cover the storage of all types of oil, including petrol, on any premises – with a few exceptions.

For full details see: www.hmso.gov.uk/si/si2001/20012954.htm

Pay on time for best value

THE UK was one of the first in Europe to introduce legislation to help promote a culture of prompt payment.

Any organisation which consistently pays late may find its supplies discontinued until payment is received; that contract terms are less favourable in future; that additional security, such as a bank guarantee, is required or that payment is demanded up front or in cash. Furthermore, its credit rating may be affected, which could in turn affect other suppliers' terms.

In general, suppliers' standard conditions include provision for interest to be charged on overdue amounts, typically between 4% and 8% over base rate. However, the legislation's primary aim is to deter companies from paying their bills late rather than encourage claims for interest.

To avoid trouble, and ensure you continue to enjoy best value from your suppliers, the Better Payment Practice Group (www.payontime.co.uk) recommends that you:

- Ensure you know the terms of payment and pay on time
- Use direct debit to avoid oversights (subject to your organisation's policy)
- Reconcile invoices and statements promptly
- Notify your supplier promptly, in writing, of any dispute.

Renewables NEWS

More power, less pong

METHANE from disused mine shafts is being converted into energy for 8,000 homes in West Yorkshire. The scheme, Alkane Energy Park, will also reduce methane emissions from the old Wheldane mine by up to 85%.

Bigger windfarms, please...

THE Government's offshore wind strategy, published last December and currently out for consultation, calls for developers to think big.

Energy Minister Brian Wilson said: "I expect much larger proposals to come forward. We are already aware of plans for a 500MW windfarm, with 150 turbines, in the Thames estuary."

He added that other prime development sites were in the Wash and the area between the Solway Firth and North Wales.

...but smaller ones will also do

IN the meantime, Mr Wilson has approved plans for two smaller farms, one in the Thames estuary and the other off the Cumbrian coast.

With 60 turbines between them, they will produce enough power for 180,000 homes in the UK. Construction will start in 2004.



Generating electricity by harnessing the pneumatic power of waves. Photo courtesy of Wavegen

Give us a wave!

THE sea could soon be harnessed to produce electricity.

The Government has given a grant of £3.7 million to two companies, Wavegen and Tidal Hydraulic Generators, to develop a cluster of wave and tidal power devices off the Western Isles of Scotland. Energy Minister Brian Wilson said: "Britain is already a world leader in wave and tidal

power technology. Success in projects like this could lead to the creation of a major industrial sector with export potential.

Another Loch Ness monster?

PLANS to build the largest hydro-electric plant for 40 years have been announced by Scottish and Southern Energy.

If approved, the £85 million underground facility near Loch Ness will take four years to construct, creating 400 jobs, and will provide power for 40,000 homes.

Fired earth?

A NEW source of heat has been harnessed by Powergen. The company is to install 1,000 pumps which extract heat from the ground in several social housing projects around the country.

The new technology enjoys reduced running costs and produces only half the harmful emissions of conventional gas boilers.

Green power on the up

ACCORDING to the DTI, the proportion of electricity generated from renewable sources increased slightly in 2002.

Power from hydro, wind and landfill gas schemes rose from 2.8% in 2001 to 3% last year, edging a tiny bit closer to the Government's target to have 10% of all electricity generated from renewable sources by 2010.

Distribution companies to act over losses

THE energy regulator, Ofgem, wants to reduce the losses that occur across Britain's distribution networks. On average, around 7% of electricity is reported as 'lost'.

Losses fall into two main categories:

- units physically lost as a result of being transformed into heat or noise during transmission

- those which are delivered and consumed but are not recorded as sales by either suppliers or distribution businesses. This could be due to meter errors, measurement errors in the settlements system, discrepancies related to unmetered supplies, etc.

The Government's climate change commitments place greater emphasis on managing electrical losses and improving energy efficiency. Whilst the financial costs

are ultimately borne by consumers, the environmental impact - the production of climate change gases - is suffered by society as a whole.

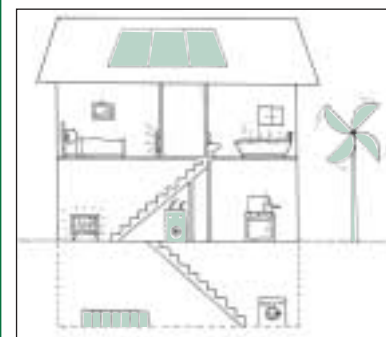
Ofgem estimates that a reduction in losses from the current level of 7% to 6% might account for 4% of the Government's target to cut CO2 emissions. It would also reduce the amount of electricity generated to meet demand, giving even wider environmental benefits.

Initial estimates suggest that each unit of electricity lost costs

around 3.0 to 3.6 p/kWh (including the environmental impact), which is around 5% of a typical electricity bill.

A consultation exercise, to consider alternatives to the current 'incentives' to distribution companies, is underway. Ofgem wants to encourage industry parties to manage the technical and operational factors effectively so that losses are reduced - for example through design, operation and investment.

The green, green class of home



TENS of thousands of homeowners are to be offered incentives to turn their properties into miniature power stations.

The Government wants to encourage more people to invest in green technology - for example the average home might have solar panels on the roof, fuel cells in the cellar, a generator under the stairs and even a windmill in the garden.

However, ministers accept that this is unlikely to happen unless householders are given cash incentives similar to the grants already available to larger institutions such as schools and hospitals.

An increase in income from net-metering, where homeowners are paid for putting energy back into the grid, will help. At the moment, they pay between 6p and 7p per unit of electricity used but receive only 1.5p per unit put back. By redressing the balance, the Government hopes to improve security of supply by creating a wider network of small generators, rather than relying on a few large and vulnerable schemes.

The vision of green homes, outlined in the white paper on Britain's future energy needs, is driven by fears of global warming, the need to replace ageing nuclear reactors with a safe alternative and the increasing cost of oil.

Currently, less than 3% of the UK's energy comes from renewable sources - mainly hydroelectric schemes in Scotland. The Government hopes that, by relaxing planning regulations to encourage the development of windfarms and incentivising homeowners to play their part, it will reach its target of 20% by 2020.

Even so, Britain will still lag behind its European partners. Denmark already gets 7% of its electricity from wind power and is aiming at 50% by 2030.

WATER COMPETITION UNLIKELY TO FLOOD IN

THE Water Bill is likely to have a turbulent passage through Parliament.

As predicted, in planning to modify regulation of the water industry and introduce competition, it proposes a threshold for tendering of 50 megalitres. Multi-site consumers will not be allowed to aggregate their requirements and will therefore be excluded.

Consequently only 2,000 customers in England & Wales (those spending around £30,000 a year) will be eligible and critics argue this will not test the market adequately or provide sufficient incentive to new entrants.

Competition is envisaged in two ways:

- 'common carriage' - water companies publish reasonable terms for others to use their mains for supply to customers. Inevitably, they do not make it too easy and access terms frequently include onerous conditions and charges.

- competition in water retailing - a supplier purchases water from a local company and sells it to the customer. This is relatively simple as it does not require any physical change to water networks.

If competition is to have any realistic prospect of becoming established, the bill needs to address the problem of access codes (there are currently over twenty) and pricing. This presents considerable difficulties for new entrants whose activities are likely to cover several areas.

The bill also contains proposals to protect the environment - possibly at the expense of consumers through a disproportionate price increase.

There is certain to be intense debate and lobbying as the Water Bill goes through the parliamentary process. However, unless there is a complete u-turn on the subject of aggregation, there is little prospect of any competition for multi-site consumers such as local authorities.

MARKETS AND CONTRACTS

THE outbreak of war in Iraq and its swift conclusion removed the main uncertainties affecting the markets and oil prices fell back from their pre-war high of more than \$30 to below \$24 a barrel. This has had knock-on effects on gas and electricity prices.

Despite the recent fall in oil prices, wholesale gas prices are still 3% to 5% higher than a year ago. Electricity wholesale prices are at similar levels to this time last year but have steadily increased of late.

COUNCILS SWITCH TO RENEWABLE SOURCES

ELECTRICITY supply contracts for Leicestershire, Lincolnshire and Warwickshire have been negotiated by ESPO with Atlantic Electric & Gas. All three councils are now using electricity generated from renewable sources - in this case, from combined heat and power schemes operated in horticulture.



Greenhouses heated by a CHP scheme. Photo courtesy of NEL Power

Market gardens use gas-fired engines to heat their greenhouses, giving off carbon dioxide which aids plant growth. The engines incorporate turbines powered by heat to generate electricity, which is then sold as a renewable supply and is therefore exempt from the climate change levy.

The new arrangements should save about 17,000 tonnes of CO2 emissions. Early renewal of these

contracts, due to commence in the final quarter of this year, has also achieved cost reductions of between 5% and 9%.

Mike Pollard, senior energy engineer with Lincolnshire's facilities management provider, HBS, says: "Lincolnshire County Council is committed to reducing greenhouse gases, so HBS asked ESPO to include a green option for all its supplies. We're very pleased that ESPO were able to provide us with this at no extra cost."

MORE GREEN SAVINGS

DESPITE increasing wholesale electricity prices, contracts commencing in April and July resulted in overall cost reductions of 6.6%.

Around 40 half-hourly metered sites, including a number of council offices in Cambridgeshire, Leicestershire, Lincoln, Norfolk and Peterborough will now receive electricity from renewable sources.

Rape seed helps environment

TWO local authorities in ESPO's area have turned to rapeseed-enhanced biodiesel to help improve the environment and quality of life for their residents.

Leicester City Council and Fenland District Council have both signed contracts with Greenergy for the supply of GlobalDiesel, a blend of 95% ultra-low sulphur, low carbon diesel and 5% rapeseed methyl ester (RME).

Leicester, which became Britain's first 'environment city' in 1990, is using the new fuel for the City Stores' fleet of 950 vehicles - from motorbikes to 32-tonne lorries.

Fenland is evaluating several green technologies as part of its 'renewable energy vision'. From this summer its entire fleet will be diesel-engined and biodiesel will be trialled with commercial vehicles up to 3.5 tonnes. If successful, the trial will be extended to refuse vehicles and the Council hopes to be using biodiesel in the whole fleet by early 2004.



From humble rapeseed to clean green fuel

In addition to appreciating the environmental benefits of GlobalDiesel, Fenland was influenced by Greenergy's ability to dual-load fuels, avoiding a 'small load' surcharge for the biodiesel.

PIONEERING

GREENERGY began trading in 1992, supplying low-sulphur fuels to the Swedish market. It then began operating in Germany and Switzerland and, in the mid-nineties, launched the now-familiar CityDiesel on the UK market. GlobalDiesel, introduced in 2002, guarantees to reduce whole-of-life* greenhouse gas emissions by 5% and give off less particulate matter.

*whole-of-life means from the time the rapeseed is sown to the moment RME is incorporated in GlobalDiesel; as Greenergy says, it would be pointless producing a fuel with lower greenhouse gas levels if the processing of the raw materials showed an increase in harmful emissions.

Jim brings business sense to ESPO job



Jim Martyn, credit controller.

JIM Martyn, the energy team's credit controller, understands the problems facing purse holders. He should – he ran his own business for twenty years before joining ESPO.

He says: "When you're working to a really tight budget it can sometimes be difficult to make ends meet. We serve a lot of schools who have to watch every penny and I understand exactly what that means!

"From my own experience I know how important it is to work out your future expenditure as well as dealing with today's accounts – and that's where I can help, by providing customers with estimates so they can reserve cash rather than having a nasty shock when a big bill comes in."

As part of the billing team, Jim is alerted as soon as a customer's bill becomes overdue. He says: "More often than not, there is a reason – perhaps the customer thinks the

price is wrong or the delivery is incomplete. I try to get to the root of the problem and work with the customer to get it resolved quickly and avoid a potential bad debt situation."

Originally from Derbyshire, Jim has lived in Leicestershire for more than twenty years. Once a keen soccer player, he's now an ardent Derby County supporter where both he and his wife Sue are season ticket holders. Jim spends the rest of his spare time gardening and refurbishing the tumble-down house he bought a few years ago.

Mike Kendall, ESPO's financial controller, says: "Before Jim arrived we had no dedicated energy credit controller so customers' account queries were passed to our gas billing team - not an ideal situation.

"When he joined ESPO, he was handed a backlog of unpaid bills and queries. By helping customers understand and resolve their problems, he has exceeded my expectations in reducing our overdue accounts and his sympathetic approach has gained the respect of our customers.

"Over the last 18 months, Jim has gained an understanding of gas supply and has regularly assisted customers with difficult and complex issues. He now takes a proactive role by identifying unusual circumstances, such as excessive bills or missing bills, before customers ask ESPO for help."

Web Watch

HERE are more web sites containing helpful information on saving energy and the environment – all, of course, preceded by **www**.

Association for Commuter Transport **act-uk.com** (sustainable transport, improved air quality and reduced car dependency)

Envirowise **envirowise.gov.uk** (free advice on minimising waste and setting up environmental management systems)

Foresight **foresight.gov.uk** (information on cleaner vehicles and fuels)

Motorvate **greenerfleet.org.uk** (Government-backed award scheme designed to help companies cut fleet and travel costs)

National TravelWise Association.. **travelwise.org.uk** (travel awareness advice for schools and business)

Powershift and Cleanup **est-powershift.org.uk** (helping to establish a market for alternative clean fuel vehicles and clean up existing urban vehicles)

Transport 2000 **transport2000.org.uk** (sustainable transport)

Transport Energy Best Practice..... **transportenergy.org.uk**

(Energy Savings Trust initiative incorporating all the activities previously undertaken by the Energy Efficiency Best Practice programme. Free consultancy advice for up to 5 days to help develop and implement a travel plan).

Ofgem prepares to settle storm claims

LAST October's storms left almost two million customers without electricity. Suppliers were able to re-connect most of them within the 18 hours stipulated by Ofgem but some remained without power for up to nine days.

These customers had to lodge compensation claims within a month of their supply being restored. Anyone who didn't could still claim by contacting Energywatch (on 08459 060 708), who may be able to negotiate with the distribution company on their behalf.

Legally, electricity companies do not have to pay compensation if exceptional circumstances prevent them from restoring supplies within the specified timescale – provided they can prove their networks are properly maintained and that they make reasonable efforts to re-connect customers.

Ofgem has sifted through the claims received and is grouping together similar cases, based on details such as location and length of power cut. The regulator will then make a decision on one representative customer per group and apply it to all the others in that group. If the decision turns out to be inappropriate to a particular customer, that case will be treated individually.



Storms wreaked havoc across the country damaging property and power lines. Photo courtesy of Coventry Evening Telegraph

Need advice on energy efficiency?

| | |
|--------------------------------------------------|---------------|
| Cambridgeshire – Facilities Management Help Desk | 01223 718044 |
| Leicester City – ask for 'energy advice' | 0116 254 9922 |
| Leicestershire – Melvin Harrison | 0116 265 6896 |
| Lincolnshire – Mike Pollard | 01522 836227 |
| Norfolk – John Cobb | 01603 222674 |
| Peterborough City Property Services helpdesk | 01733 742424 |
| Warwickshire – Jacky Lawrence | 01926 736324 |

For other areas please contact your local council direct or ask ESPO for guidance.

Counting the cost of poor service

GAS and electricity companies have been criticised for their poor standards of service following a survey of the UK's largest energy users.

Datamonitor reports that only 30% of the 350 companies questioned were likely to renew their existing contracts. Problems with billing were mostly to blame.

It seems domestic consumers are similarly disgruntled. Energywatch has handled 110,000 complaints about supplier performance in the last 12 months.

At a press conference in May, the energy watchdog launched a campaign to tackle inaccurate and late billing, emphasising that suppliers are not necessarily the only guilty party. Deregulation introduced complex chains for the flow of data - via meter reading agents, data collectors, data aggregators,

meter operators, Transco and suppliers – and any shortcomings in the performance of any one of these can interrupt the billing process.

ESPO's David Kwiatek says: "Consumers naturally look to their supplier, with whom they have a contract, to manage the process properly. It is simply not acceptable for the supplier to blame other agencies for poor performance.

"This should be seen as an opportunity for forward-thinking, customer-focused suppliers to prove their worth and differentiate themselves from the pack. It's depressing that, after ten years of competition, even a half-decent supplier stands out like a beacon!

"The good news for customers with contracts managed by ESPO is that we actively manage the suppliers and, in the

case of gas, validate their billing. Not all problems can be eliminated but, because we work with the supplier on your behalf, you are never left alone to resolve them!"

In the wake of the Energywatch press conference, Powergen, British Gas, Npower and Scottish Power issued a joint statement agreeing that 'the industry has a collective commitment to improve billing accuracy' although they insist this is part of a wider problem surrounding switching.

David Kwiatek adds: "It's good that the profile of the whole issue has been raised and I hope that hard action follows the talking. My only concern is that any changes to resolve the situation for domestic users should not be at the expense of industrial and commercial consumers."

Your write...

LET us have your views! Write, fax or e-mail us at the address below and, if we publish your letter, we will send you a quality fountain pen.

"I haven't received a gas bill for some time. What should I do?"

Jim Martyn, the ESPO energy team's credit controller with special responsibility for gas billing, replies:

"Your bill could be held up for a number of reasons, for example:

- either the supplier or ESPO has identified a meter reading discrepancy which is being investigated
 - the supplier's invoice has failed validation by ESPO
 - Transco doesn't have your meter on its database
 - there has been an erroneous transfer (see *New rights for energy customers*, page 2)
 - the supplier is waiting for an opening meter reading following a transfer
 - there is a technical query on the reading – for example only 5 digits provided instead of 6
 - the supplier has simply failed to send a bill to ESPO
- "You should receive a letter from ESPO if we have raised a query on your behalf. However, if you still

haven't received a bill after two months, please contact ESPO's billing team on 0116 265 7884 so that we can investigate the problem.

"Recent enhancements to our GEMS system mean it will become easier for us to identify meters that have not been billed for some time and pursue these with the supplier.

"Even if you don't receive a bill, you should make provision for payment. If you're not sure how much to reserve, ESPO can give you an 'estimate' of your accrued charges, based on your past recorded usage.

"This 'estimate' is, of course, subject to many variables, including the weather, heavier- or lower-than-normal usage and alterations on site. However, it does serve as a valuable guide to the budget holder who may need to reserve cash – sometimes considerable amounts – to meet the belated bills.

To take advantage of this service, just call me on 0116 265 8008."



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