



Energy solutions
for a changing world

E, M&V role of the UK Energy Regulator (Ofgem) in Energy Efficiency Obligations (EEOs)

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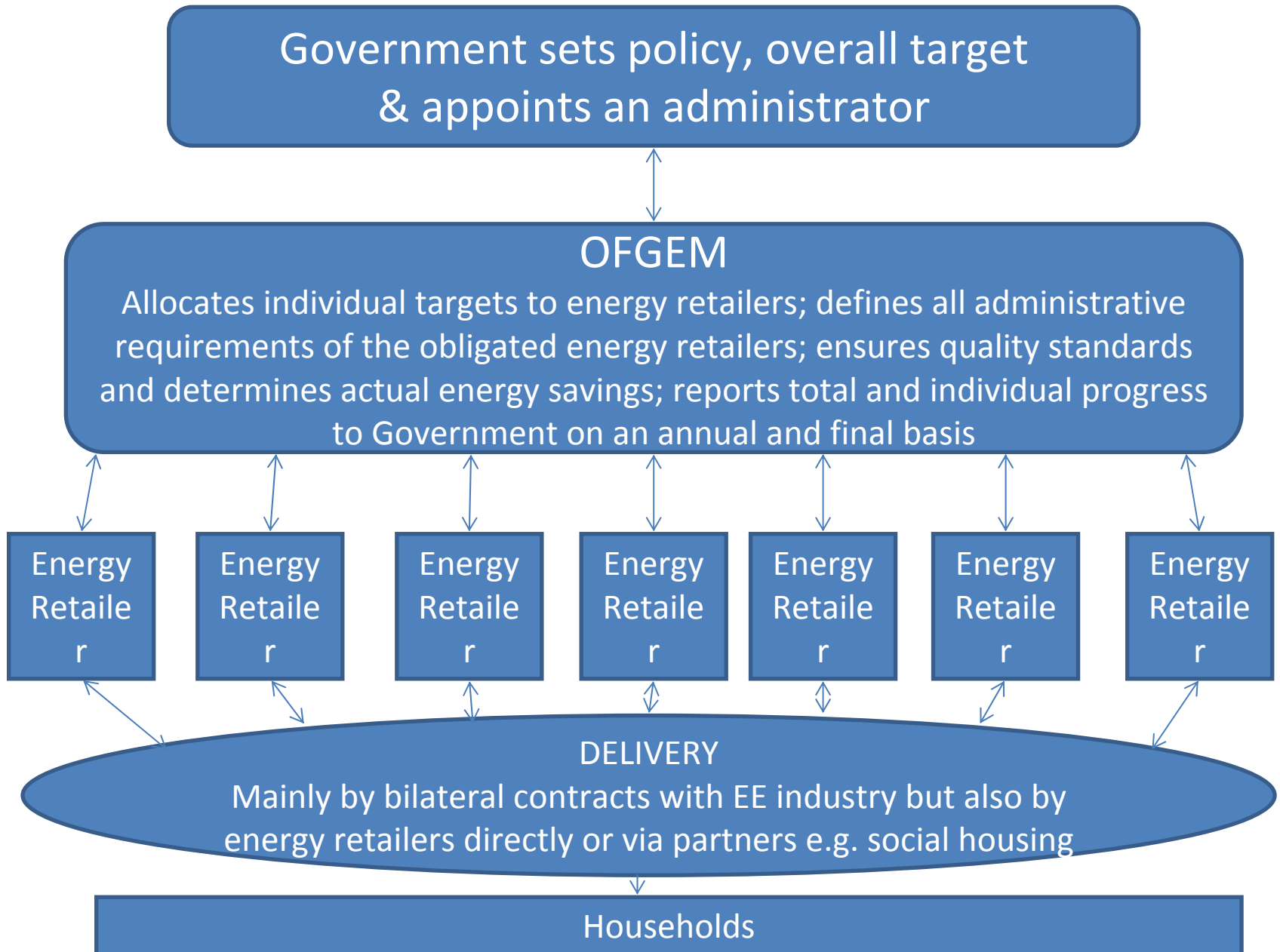
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Overall administrative procedure for UK EEOs



Ofgem's overall role in EEO

- **UK Government sets overall energy saving target (advice from Ofgem)**
- **Ofgem divides overall target between the individual energy companies using its data**
- **It is responsible for M&V of energy savings by companies & accrediting savings (WC)**
- **Reports annual progress and final out-turn on individual company to Government**
- **It does partial evaluation**

Ofgem's statutory duties in EEO

- **Ofgem's statutory duties for CERT include:**
- **target apportionment among the companies**
- **approving the companies actions/schemes on energy efficiency (EE)**
- **determining the energy savings at the completion of each scheme**
- **taking enforcement action to ensure compliance with the statutory order**

Ofgem's initial tasks in EEO - 1

- **Ofgem's publishes guidance & administrative procedures to be followed to ensure harmonisation of reporting; e.g.**
- **spread sheets to be completed with deemed energy saving values set out by EE measure & house type etc.;**
- **dates & pro forma for quarterly progress reports to be received from the energy companies;**
- **the required levels of sampling of completed EE measures to justify final energy savings**

Ofgem's initial tasks in EEO - 2

- **It establishes technical guidance for the energy companies detailing the basis of e.g.**
- **the energy savings and lifetimes for EE measures to be used for deemed savings;**
- **technical standards or specific requirements that need to be met when delivering or installing the actions.**
- **Ofgem also includes specific Best Practice guidelines on installation of the energy efficiency measures.**

Ofgem's M&V specifics in EEO - 1

- **Ofgem checks for all submissions that:**
- **Measures & delivery routes are eligible**
- **Sampling & monitoring levels of EE measures are correct for technical, customer satisfaction, subsequent customer utilisation**
- **Other aspects (e.g. low income requirements, innovation etc) have been correctly assigned**

Ofgem's M&V specifics in EEO - 2

- **Energy suppliers use own (qualified) staff and/or other contractors to carry out the sampling and monitoring**
- **However, Ofgem uses their own independent auditor to verify a sample of energy company's energy saving claims**
- **Double counting monitored by DECC (was Energy Saving Trust) who have a national database of homes which is populated by all energy company activities and others**

Ofgem's evaluation role in EEO

- **Primarily concerned with energy companies meeting their targets (or not); also where energy savings have come from to inform stakeholders e.g. EE installers, local authorities etc.**
- **Government or independent consultants have done the previous overall EEO evaluations in terms of national cost effectiveness, customer benefits, market transformation impacts etc.**