



# European Energy Network

The voluntary network of European Energy Agencies - at the heart of the clean energy transition

## Name and Country of E<sup>n</sup>R Member

EST - United Kingdom

**energy  
saving  
trust**

## Energy Redress Scheme

## Name of Project/Programme & Link to website

Energy Industry Voluntary Redress Scheme (Energy Redress)

<https://energysavingtrust.org.uk/>

## Description of Project

Funding is available to charities or consortiums led by a charity. Charities across the UK are encouraged to register with the scheme so that they can be approved to apply for funding and be kept informed of when funds are available.

So far 392 charities have registered to apply to the Energy Redress scheme. The charities that have registered include organisations delivering benefits, debt and housing advice, specialist support organisations for people with disabilities or families, charities that support the elderly, energy specialist charities and environmental organisations.

The majority of the funding applications received and projects funded so far, involve delivery of home energy advice to vulnerable residents, either via home visits, drop in advice sessions or events. The advice helps residents save energy and money and have more comfortable and healthy living environments. Some of the advice projects focus on areas of high fuel poverty whilst others work with specific types of vulnerable residents, such as those at risk from cold related illnesses, the elderly or people living with a disability.

Many of the projects also include educational elements such as training on fuel poverty issues for home visiting professionals. Others are distributing small energy saving measures to their clients such as low energy light-bulbs or draught-proofing or carrying out research such as to better understand which new heating control technologies are easiest for vulnerable people to use.

Energy Redress can also fund projects that explore innovation to benefit energy consumers. This can include a wide range of projects such as new ways to use technology to make energy more affordable or efficient, or new business models to empower energy consumers and make energy markets fairer. One innovative project, led by Bioregional, is developing a new way to enable residents of social housing blocks to buy solar electricity direct from community owned panels on the roof. The project aims to provide a replicable way to deliver low-cost low-carbon energy to people in social housing blocks.

## Aim/Expected Impact of Project

The Energy Redress Scheme takes voluntary payments from energy companies that have breached regulations and redistributes them to support vulnerable energy customers.

The priority of the Energy Redress scheme is to support energy consumers in vulnerable situations. This includes people in fuel poverty or people with health issues and/or other circumstances that mean they are disadvantaged when it comes to meeting their energy needs. In addition, Redress Funding can be directed towards innovative projects that will benefit energy consumers.

## Involvement of the Agency and Link to the EU Green Deal

### - Energy Transition

Working with Ofgem (Office of Gas and Electricity Market – UK Gas and Electricity Markets regulator who conceived the idea), EST designed the Energy Redress scheme including the open and transparent selection process, the common eligibility and assessment criteria for grant applications, the online application form and supporting information giving applicants guidance on how to apply and explaining scheme rules.



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We also developed a reporting and grant claims process enabling robust monitoring for scheme finances and regular reporting of scheme outcomes and impact metrics.

EST now manages the entire end to end process of the scheme including undertaking a due diligence process on each charity when they register, to check their financial health and charitable status, the assessing of applications for funding and disbursement of grant funding.

EST takes a strategic view of the projects applying for funding and match or link up projects to ensure greater impact and wider benefits through the project activities as well as ensuring better value for money.

## Monitoring & Evaluation / Impact Assessment framework

The Energy Redress scheme monitoring and evaluation framework has also been designed to capture learnings from the funded projects including the cost effectiveness of different approaches. Monitoring responsibilities are included in each project and include various impact metrics. While the information is currently self-reported, the scheme is, overtime, improving on and building a body of data on information such as allocated funding, approaches / implemented activities, reach, impact etc; thus building an evidence base of which project models are the most successful, for future initiatives aiming to engage with vulnerable groups.

## Innovative Financing

When an Ofgem investigation into an energy company breach of regulation is completed and the company is found to be at fault 3 types of payments can be generated:

- Fines – which go straight to UK treasury
- Direct compensation – which goes to individual energy consumers impacted by the breach that's been investigated and
- Voluntary payments – which go to supporting the Energy Redress scheme.

A total of four funding rounds were completed by July 2019 since the scheme started in Spring 2018, with grants totalling £3,617,709 awarded to 34 projects. A 5th round of applications has just been assessed and will see another £5m allocated across 30 projects. There is currently an additional £17m in the funding to be allocated with an additional £8.9m expected later in the year.