

# How to Manage Rising Energy Costs



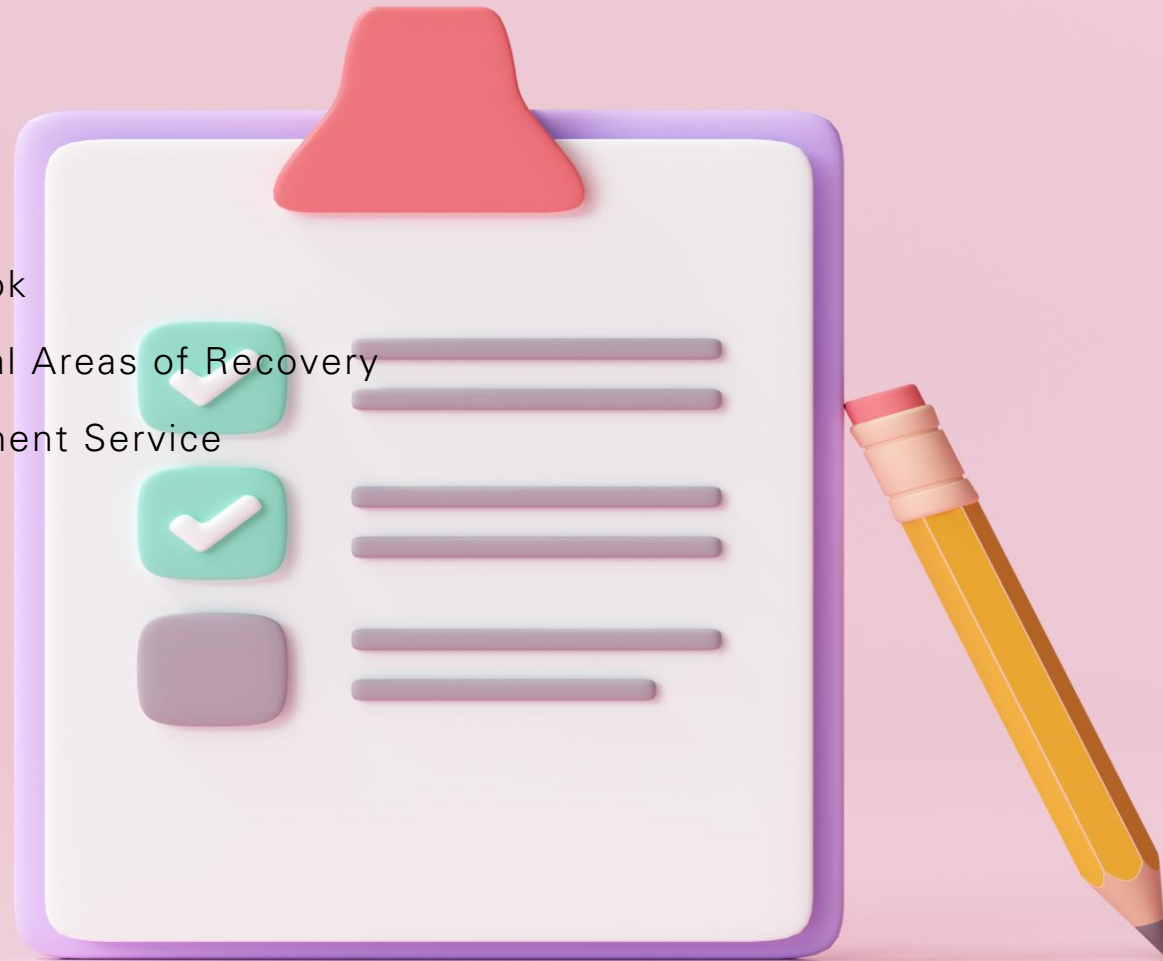
# Agenda

Market overview & outlook

Billing Queries & Potential Areas of Recovery

Remote Discovery Document Service

Q&A





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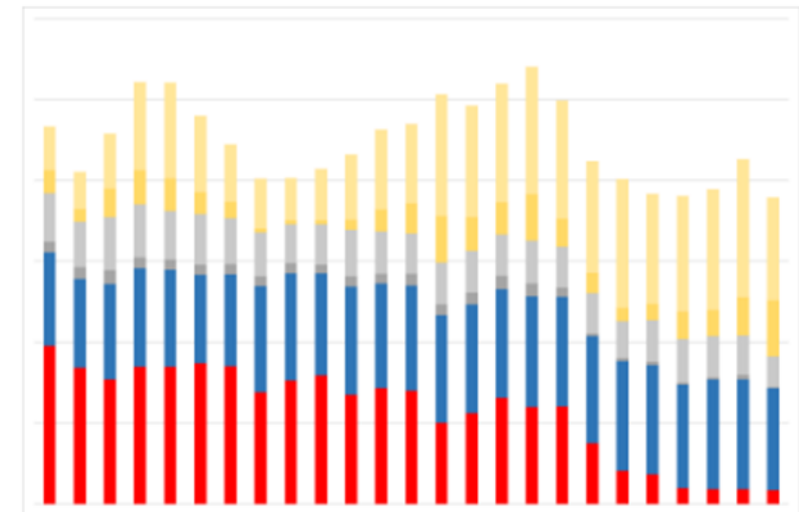
## Market overview



Entering 2023 we have seen wholesale energy prices dip in reaction to a warm winter and economic difficulties in China.

However, several sources report that high energy prices will be a feature for the next decade:

- Europe had allowed itself to become dependent on Russian gas.
- The chart (**bottom right**) shows where imports of gas have come from every month since the beginning of 2021.
- The red bars are imports from Russia, which have decreased. The blue bars are imports from Norway, which have remained fairly constant.
- We can see a significant increase in **Liquefied Natural Gas (LNG)** shipments.



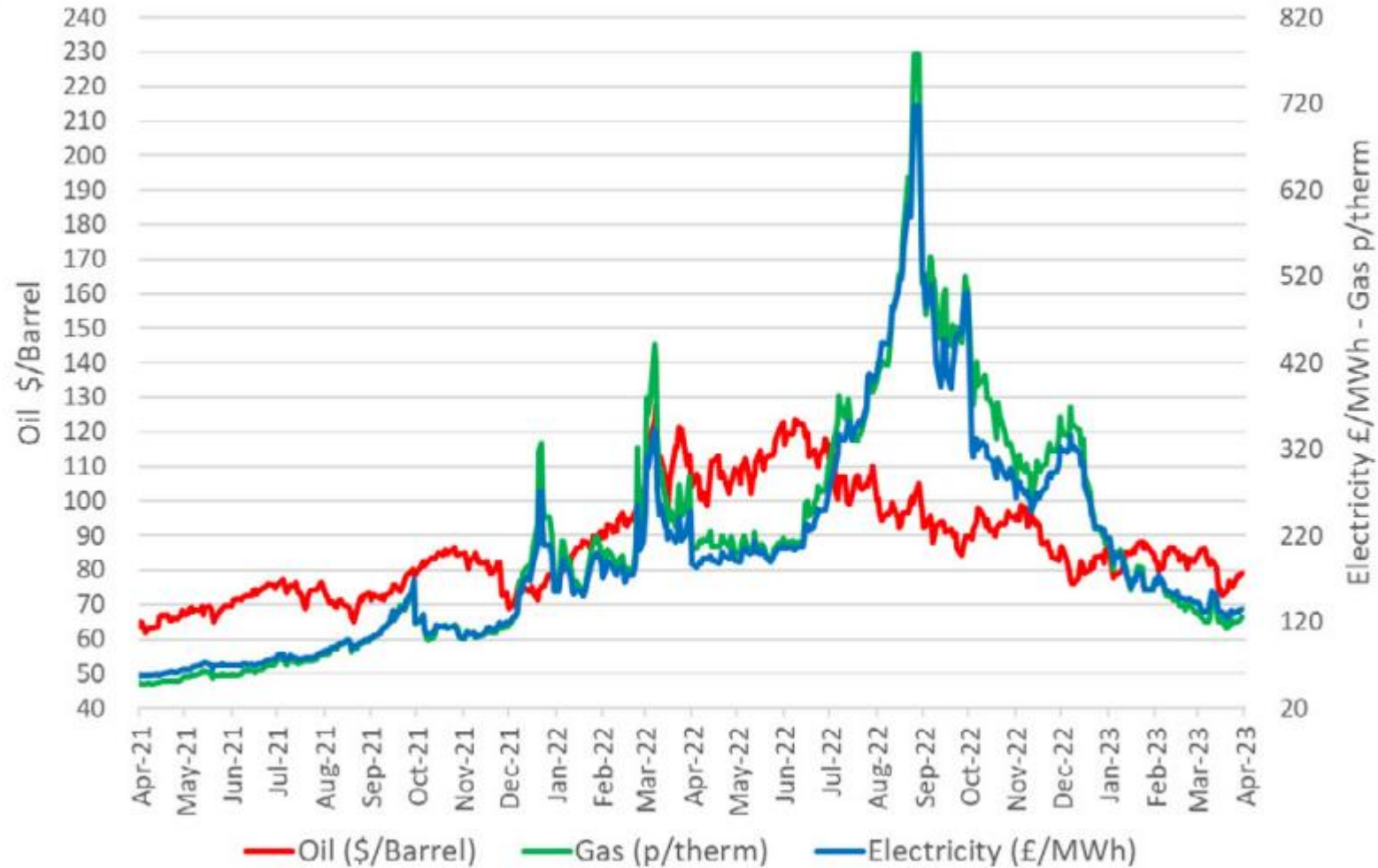
Whilst this is encouraging and proves that we can survive entirely without Russian imports, it is important to note that LNG flows to the highest bidder.

- Storage capacity is also increasing – Centrica has recommissioned the North Sea Rough storage facility.
- This means higher demand for gas over the summer (to fill it up). Which suggests that overall prices are likely to be more stable but will remain **relatively high**.
- Gas-fired electricity generation still makes up some **40%** of the UK's electricity production. It sets the price for the market.
- On the positive side, the proportion of renewable generation continues to increase – and when the wind really picks up it becomes the highest single contributor!



## Energy Price History

The chart below shows the price history for oil, gas and power over the past two years, rising from the end of lockdown lows in 2021 to the excruciating highs of last year:



## OUTLOOK – What can we expect? What's Next?

- Russian gas exports into Europe (ironically, the only remaining flows are through Ukraine) are at such a low level now that any further action by Russia can only have a negligible effect, so will prices fully return to pre-crisis levels?
- The answer is that this is unlikely - with Norwegian gas already flowing at maximum capacity, the gap in the market has been filled by LNG, which will only flow if attracted by high prices.
- Furthermore, a universal policy of ensuring strategic gas storage is full ahead of winter ensures that demand is maintained throughout the summer. There may be a little further to go, but forward prices are very unlikely to fall back to 2021 levels unless an unexpected peace breaks out in Eastern Europe.



### Alternative Fuel Payment

A one-off payment due by 10 March 2023.

The non-domestic Alternative Fuel Payment is a one-off payment of £150 for customers who aren't on the gas grid and use an alternative fuel for heating purposes.

The Government have identified eligible customers therefore you don't need to apply for this payment.

### Energy Bill Discount Scheme (EBDS)

Commenced 1<sup>st</sup> April and will continue 31<sup>st</sup> March 2024.

Available for anyone on a non-domestic contract.

Who are:

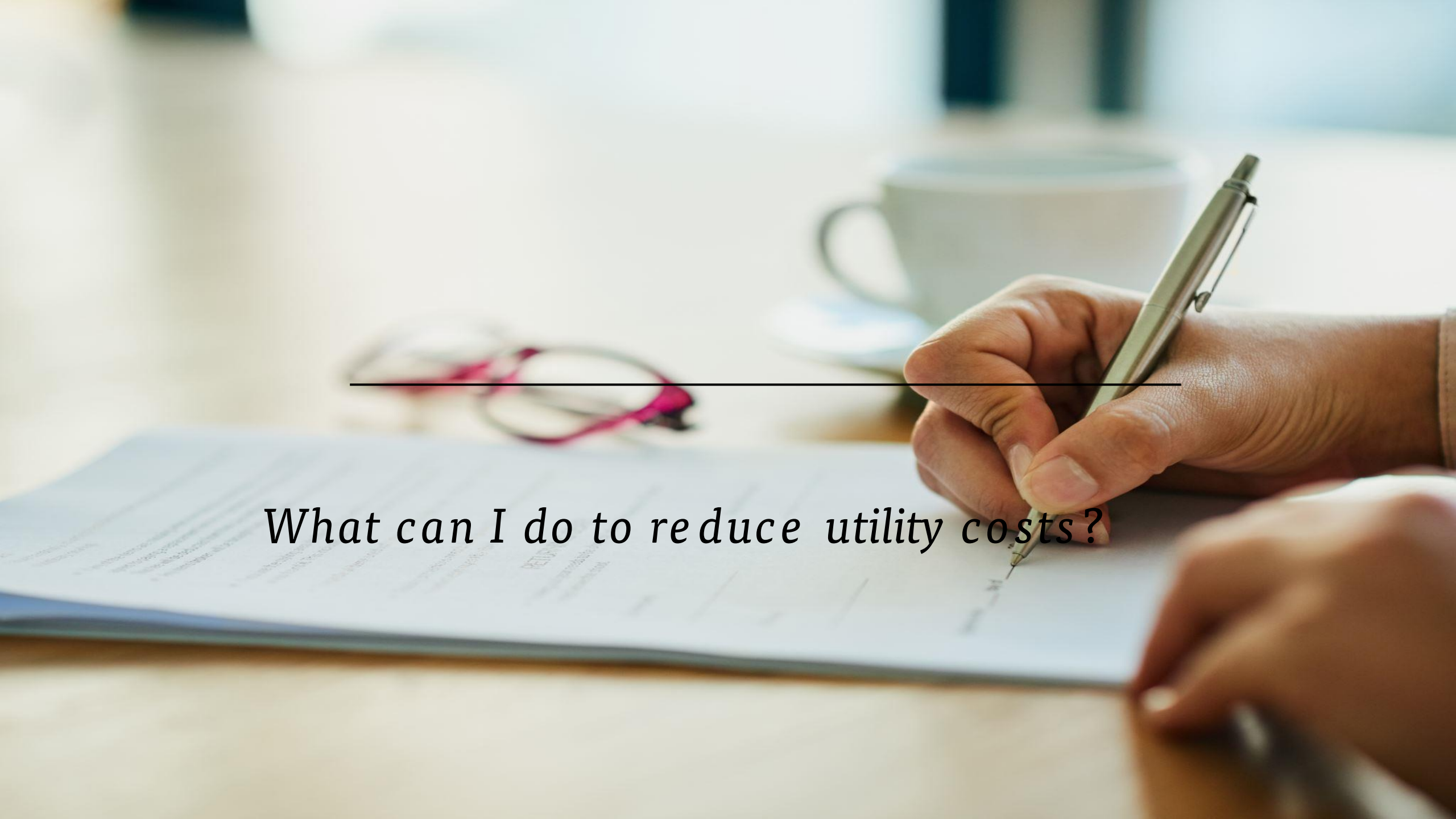
on existing fixed price contracts that were agreed on or after 1 December 2021

signing new fixed price contracts

on deemed / out of contract or standard variable tariffs

on flexible purchase or similar contracts



A close-up, shallow depth-of-field photograph of a person's hands writing on a document. The person is holding a silver pen and writing on a light blue document. In the background, a white cup of coffee sits on a saucer, and a pair of glasses with pink frames is visible. The scene is set on a light-colored wooden desk. A horizontal line is drawn across the middle of the image, passing behind the text.

*What can I do to reduce utility costs?*

# Reducing Utility Costs

The Energy Discount Scheme alone may not be enough to meaningfully reduce your energy expenditure. However, there are several things you can do to help reduce costs further including:

- Checking your current bills for discrepancies and estimates
- Are you on the right meter profile?
- Reducing on-site energy usage
- Reducing Energy wastage



## Billing Discrepancies and Estimates

To date Utility Aid we have recovered over £4.7 million in supplier over charges for our customers. Our Head of Invoice Validation stated, "*the two most common overcharges we see on customer bills are estimated readings and incorrect VAT and CCL charges.*"

- Estimated readings – Suppliers legally only need to read your meter once every two years. If you currently do not have a smart meter fitted or are experiencing problems with your smart meter you might be being billed to estimates.
- VAT and CCL Charges – If you qualify for a reduced rate of VAT its important to let your supplier know. Usually, they will provide you with a VAT declaration form to complete and return. Please be aware each supplier works differently some suppliers will only backdate invoices for a year and then will refer you to HMRC.

## Metering Charges – Meter operator agreements

Many organisations are paying up to **60%** more than they need to for their MOP Contract!

**Meter Operator (MOP)** - A meter operator in the UK energy industry is an organisation responsible for installing and maintaining electricity meters.

A Meter Operator Agreement, it is a legal requirement for all half hourly electricity supplied meters.

It covers the supply of the meter, maintenance and the cost of sending consumption data to energy suppliers. It is a contract that is separate from main electricity contracts.

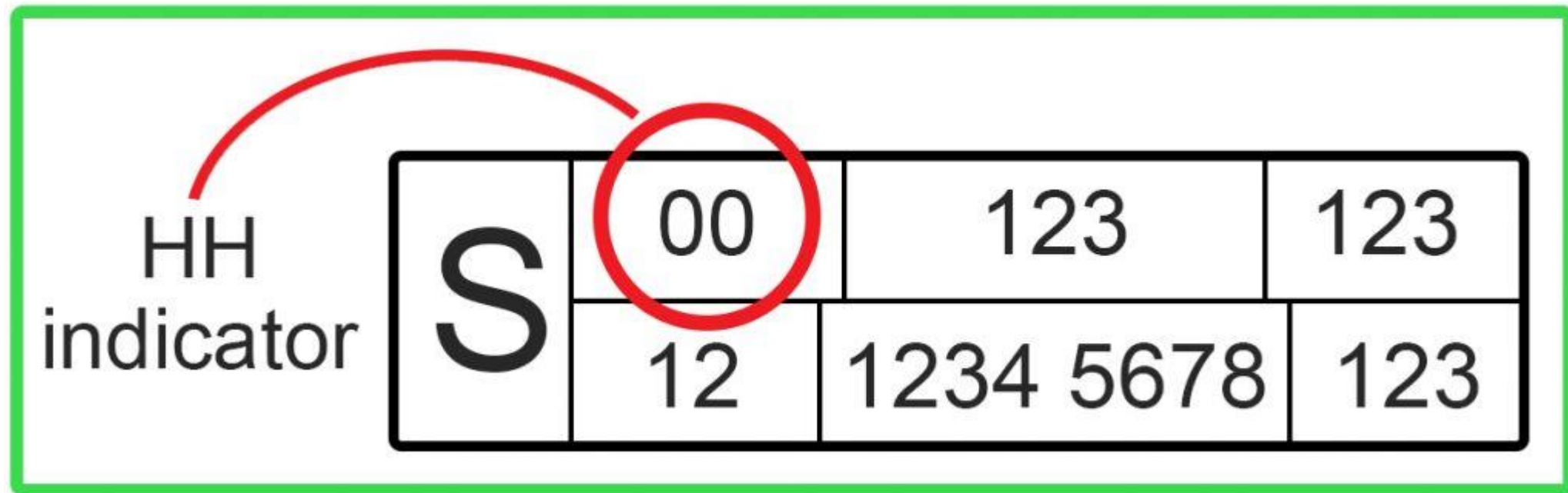
organisations are now able to appoint their own meter operator, rather than simply allowing their current energy supplier to use their preferred provider. When this happens, the cost is often hidden in the supplier's standing charge and can be as much as **60%** more than if organisations appoint their own Meter Operator.

At Utility Aid, we have our own service in partnership with an ethically accredited operator, and we'd love to see if we can help as many organisations as possible save money on their current set up.

## Metering Charges – Do I have a Half Hourly meter?

You will know if you have a half hourly meter by checking your invoices. You will find usually on the second page you have a meter number and supply number that looks like the below, if it starts with 00 you will have a half hourly supply.

We would recommend checking your current meter operator agreement to see if any savings can be made.



# Reducing Energy Usage

You need to keep an eye on your organisation the same way you do when it comes to your energy use at home. It's not just good for the environment, it can make a big financial difference too.





## Utility Aid's Energy Saving Tips

**Create the culture** - If you decide to cut energy consumption, make sure everyone is on board. Use organisation-wide meetings to brainstorm ideas and consider creating an energy champion. Keep communicating about the differences you are making – financially and environmentally.

**Put an AMR on your wish list** - An automated meter reading (AMR) device lets you review consumption in both operational and non-operational times. This ability to understand business patterns will help you make better decisions on saving money.

**Pick your energy firm wisely** - Check you are getting value for money and if your tariff has dual rates, it may be prudent to carry out certain tasks during off-peak times.

**Beware the ghost of energy past** - Phantom energy is used by equipment plugged in but not in use. And it's big. Try having all computer peripherals (printers, monitors etc) connected to power strips so one flip of a switch cuts all power.

**Control the temperature** - Heating, ventilation and air conditioning can account for 60% of energy costs. Think about setting temperature controls which only operate below 23C. A 1% thermostat adjustment can reduce energy costs up to 8%.



# Utility Aid's Energy Saving Tips

Only heat areas that are being used

Check thermostats regularly

Check for draughts and stop them

Monitor your energy usage

Provide meter readings and keep a record

Deal with your baseload, switching off all nonessential equipment off everyday



# Reducing onsite Energy Usage – Remote Discovery

Last year we completed a survey in collaboration with ACRE, to find out what halls across the network were most concerned about in relation to their utility expenditure.

557 Halls agreed that they wanted support with reducing their on-site energy consumption. We understand the costs involved in starting this journey with some on-site assessments costing over £1,000!

In response to our findings, we have launched our new Remote Discovery Document Service.



## Remote Discovery Document – How does it work?

Using your mobile phone, you will be connected to a qualified Energy Assessor who will tour your building with you virtually via video link, assessing all areas of the building's energy usage.

Following on from the remote survey you will receive a full report including & follow up phone consultation including recommendations on: Metering upgrades, Additional monitoring & Energy Monitoring packages, Annual Carbon and Energy Report, Introduction to Commercial Partners and When to start looking for new contracts.

Costs for halls & centres start at just **£150**.

The background of the slide is a dense, out-of-focus pile of light-colored wooden question marks. The lighting is soft, creating a warm, textured appearance. A thin, dark blue rectangular border is positioned on the right side of the slide, enclosing the text.

**Thank you**

*Do you have any questions?*