

HOW TO MANAGE RISING ENERGY COSTS

30.11.2022



INTRODUCTION AND WELCOME

Why are we here?

- We are in the midst of a ‘perfect storm’
- Charities seeing rising costs, reduced income, increased demand. SCVO and NCVO in partnership with Utility Aid want to support you

With us today:

- Beth Mukushi – SCVO – Head of Support Services
- Emily Berry – Utility Aid – Partnerships Manager
- Sally-Ann Beaver – Utility Aid – Sales Director
- William Campbell – Utility Aid – Commercial Director

HOW TO MANAGE RISING ENERGY COSTS

AGENDA

11:30 Welcome, house keeping and introductions

11:42 How to manage rising energy costs

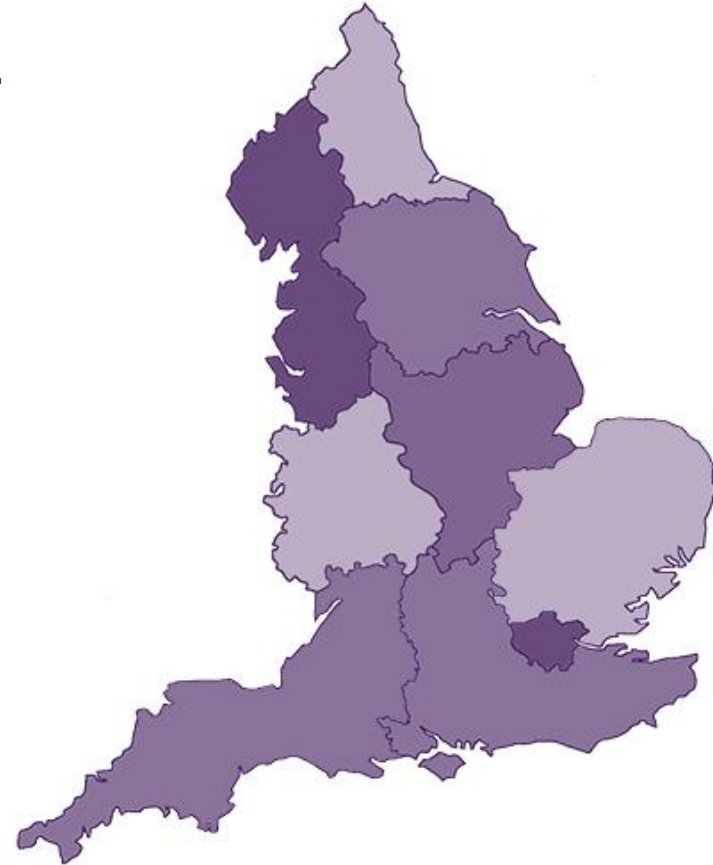
12:12 Q and A

12.27 Signposting and close

NCVO

ABOUT US

- NCVO champions the voluntary sector and volunteering because they're essential for a better society
- 17,000+ members across England
- New strategic goals, to
 - **support**
 - **amplify**
 - **connect**



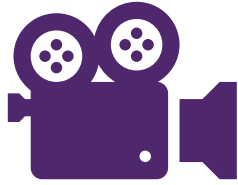
About **SCVO**



The Scottish Council for Voluntary Organisations (SCVO) is the national membership organisation for the voluntary sector

Our mission is to support, promote and develop a confident, sustainable voluntary sector in Scotland

We're passionate about what the voluntary sector can achieve. Along with our community of 3,313 members and supporters, we believe that charities, social enterprises and voluntary groups make Scotland a better place.



POLL

How confident are you that your organisation is going to be able to cope with rising energy costs in the next 12 months?

- Very confident
- Confident
- Not very confident
- Not at all confident

RISING ENERGY COSTS





What is the Energy Bill Relief Scheme?

- From 1st October 2022 until 1st March 2023, the commodity cost of a unit of electricity will be capped at 21.1 pence or £211 per MWh (megawatt hour) and an equivalent unit of gas will be capped at 7.5 pence or £75 per MWh (megawatt hour).
- This discount will apply to all tariffs and contracts commencing 1st October 2022 or onwards, which had been signed on or after 1st December 2021. This discount should automatically be applied to October bills which will normally be issued in November.
- Those on default, deemed or variable tariffs will find that their discounts are capped, meaning they will not save as much as those in fixed contracts.
- The gov.uk website states that ‘...the amount of this Maximum Discount is likely to be around £345/MWh for electricity and £91/MWh for gas, subject to wholesale market developments. Non-domestic customers on default or variable tariffs will therefore pay reduced bills, but these will still change over time and may still be subject to price increases.’

For more info: <https://www.gov.uk/guidance/energy-bill-relief-scheme-help-for-businesses-and-other-non-domestic-customers>



Energy Bill Relief Scheme: *Things to be wary of*

When discussing this discounted rate, many documents refer to **'wholesale' prices**. These rates are NOT your final cost. The wholesale price per unit is what the supplier buys the energy at. The cap is NOT applied to any non-energy-related costs. Your final cost will be made up of a variety of different aspects depending on your supplier. Not only will you have wholesale cost, but you will also have the charge the supplier adds to that, any levies that are added, taxes, etc. So, you may find that even though the government have announced that electricity is capped at 21.1 pence per unit, you will be paying higher than that.

Organisations classed as credit risks.

You may or may not know, certain organisations or sectors are defined as a credit risk with energy suppliers. As such, they are averse to offering them a new contract. We are hoping that with the above governmental support, suppliers will be encouraged to relax credit restrictions on these organisations/sectors.



Energy Bill Relief Scheme: *Things to be wary of*

How will my organisation get the discount once I am in contract?

Suppliers should automatically apply the discounts set out within the scheme to your bills.

This means that you do not have to apply directly. If you require support or further explanation, please do not hesitate to get in touch with our team who are ready and waiting to assist you.

We are aware that day to day this is going to be difficult for organisations to check and ensure that they are being billed correctly. But rest assured, this is our area of expertise, and we have the software, staff and capacity to enable us to make these checks quickly and effectively, giving you peace of mind.

POLL

How do you feel about the support that is being offered to charities by the government (Energy Bill Relief Scheme)?

- Great - its making a huge difference
- OK - its making some difference
- Not very happy - the impact is minimal
- Not at all happy - we remain very concerned about our survival
- I don't know what support is available



If I am up for renewal what are my options?

It all depends on your appetite for risk...

- Organisations on out of contract rates or due for renewal imminently need to sign into a fixed protected contract for at least 12-months, this will provide you with budget security for the immediate term.
- Organisations wanting to have budget security for a longer period we would offer alignment of their contracts under a protected and fixed contract for at least 24-months.

Remember there is a difference between fixed and fully fixed contracts. Always check the small print!




Fixed Vs Fully Fixed Contracts

All contracts are made up of commodity and non-commodity costs.

What is the difference between fixed and fully fixed?

Fixed term contracts, fix the commodity proportion which covers the cost for the energy itself.

Fully Fixed contracts fix both the commodity and non commodity costs for the contracted duration.



How are suppliers reacting to the EBRS?

- All suppliers are reacting differently to the EBRS and market volatility, this is evidenced by the offers they are each providing to customers.
- Its important to shop around now more than ever as you will not get the same offers from everyone
- Be mindful when agreeing contracts with energy companies, are they in a financially stable position?
- Can they provide the key services you need? Smart metering, monitoring of usage etc.

A close-up photograph of a hand dropping a coin into a blue piggy bank. The piggy bank is a simple, cartoonish design with a smiling face. The background is a soft, out-of-focus green and white. The text "What can you do to help reduce costs now?" is overlaid in white, sans-serif font across the middle of the image.

What can you do to help reduce costs now?




Check your bills!

To date our validation team at Utility Aid have recovered over **£4 million** in overcharges found on customers invoices.

The most common overcharges we see on customers bills are:

- **Incorrect VAT** – If you are unsure about if you qualify for a reduced rate of VAT on your utility bills, please contact HRMC VAT Helpline 0300 200 3701 or visit <https://www.gov.uk/vat-charities>
- **Meter Reading Queries** - If you don't give your supplier meter readings, they'll send you estimated bills. For example, if you don't give them a meter reading during the summer, they might send you an estimated bill based on the energy you used in winter!

Check your bill - it should say if it's estimated. Remember you could be paying more than what you use!



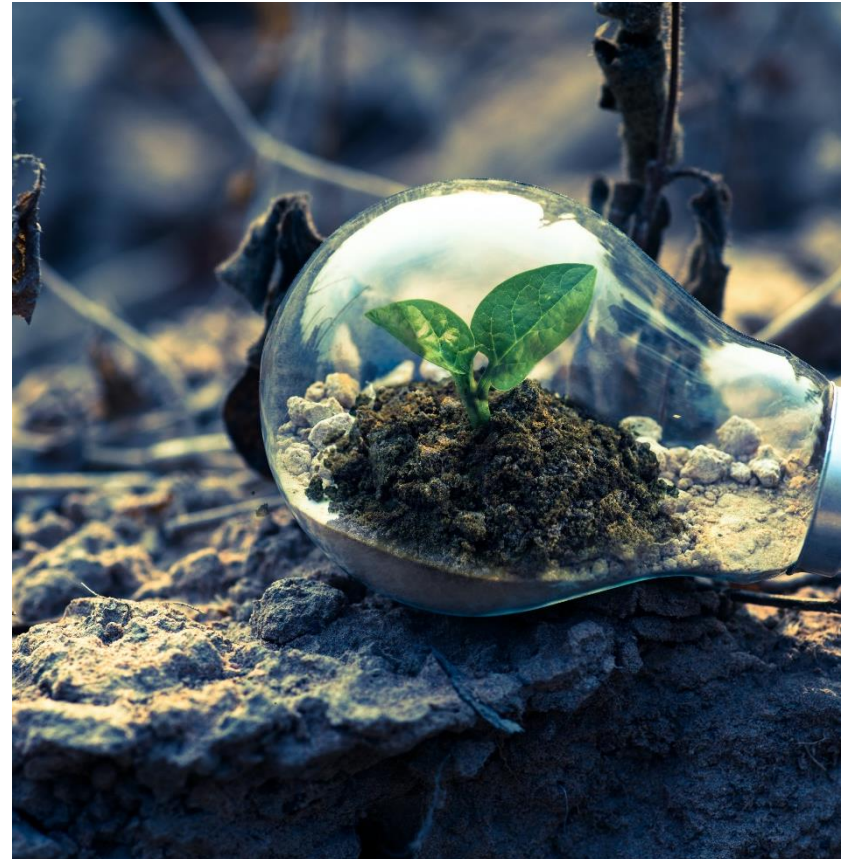
Many organisations are paying up to 60% more than they need to for their MOP Contract!

What is a MOP Contract?

- A Meter Operator Agreement, more commonly known as a MOP Contract, 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.
- The good news is that as part of the de-regulated energy market we have in the UK, 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.

Become greener – and save money too!

- **Check equipment** - Ensure your heating equipment has been serviced by qualified service agents. Make sure your radiators are balanced and air conditioners have been tested.
- **Check lights** - Consider LED and low energy lighting. Dear bulbs, but over time they give you big savings.
- **Reduce paper waste** - Printing less is a double saver. Less energy to run machines and less paper.
- **Check for gifts** - There are grants and schemes to help organisations save. Check out the Energy Saving Trust
- **Promote** - Tell your stakeholders what you are doing to be greener.



Become greener – and save money too!

- 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



Remote Discovery Document

One of the key areas for us to work on with customers is sustainability.

We worked on a project earlier this year with ACRE which revealed...

The biggest barrier small organisations face to reducing consumption on site is investment capital.

To combat this we have created a product to bridge that gap where we use AI technology, making the survey affordable to users.



We are here to help!

If you need help or support with reviewing your energy bills or need assistance with looking at your energy contract renewals, we can help you.

Please contact us:

Sally-Ann Beaver – Sales Director - sbeaver@utility-aid.co.uk

Emily Berry – Partnership Manager eberry@utility-aid.com

Billy Campbell – Commercial Director - wcampbell@utility-aid.co.uk



Q&A

USEFUL INFORMATION AND RESOURCES

- [NCVO's Cost of living page](#)

NEXT WEBINAR: 'Working effectively with funders during the cost of living crisis' with the Association of Charitable Foundations (17th January)

YOUR VOICE: share your experience by emailing policy@ncvo.org.uk

- [SCVO's Cost of living page](#)
- Utility Aid

[Library of blogs and useful information](#)

[Utility Aid's National Charity Tender](#)

EVENT TITLE

POLL

ONLINE EVALUATION FORM

NCVO champions the voluntary sector and volunteer movement to create a better society.

We connect, represent and support over 17,000+ voluntary sector member organisations, from the smallest community groups to the largest charities.

This helps our members and their millions of volunteers make the biggest difference to the causes they believe in.

- Search for NCVO membership
- Visit www.ncvo.org.uk/join
- Email membership@ncvo.org.uk

