

MAYOR AND CABINET			
Report Title	Cutting energy costs through new local energy supply models		
Key Decision	Yes		
Ward	All		
Contributors	Executive Director for Resources and Regeneration		
Class	Open	Date:	15 November 2017

1. Purpose

- 1.1 The purpose of this report is to update the Mayor on an appraisal of options for helping cut residents' fuel bills through new local energy supply models. The report proposes next steps for the Council to take.

2. Recommendations

- 2.1 It is recommended that the Mayor:
- Agrees that officers maintain a watching brief on new London energy supply models working with other boroughs and the Greater London Authority.
 - Agrees the proposal to pilot a new community energy fund subject to any further approvals required (4.13-4.16)
 - Confirms the Council's support, in principle, for a heat network in the borough making use of waste heat from South East London Community Energy subject to a further report being presented to the Mayor (4.12)
 - Agrees that officers develop options for future work to provide practical support to vulnerable households and to submit these to Lewisham's Health and Wellbeing Board (4.9-4.10).

3. Policy Context

- 3.1 The Government's Fuel Poverty Strategy published in 2015 sets targets for minimum energy standards for fuel poor households with milestones identified for 2020, 2025 and 2030.
- 3.2 In October 2017 the Government published its Clean Growth Plan confirming ongoing subsidies through the obligation on energy suppliers to fund domestic retrofit works up to 2028. Alongside the Clean Growth Plan the Government also published draft legislation to cap energy bills.
- 3.3 The Community Energy Strategy, 2014 sets out the Government's strategy for encouraging the wider deployment of energy at a local level, including by community groups or local authorities.
- 3.4 *Shaping our future*, Lewisham's Sustainable Community Strategy for 2008-2020, sets out a vision for Lewisham: 'Together, we will make Lewisham the best place in London to live, work and learn'. *Shaping our future* includes the following priority

outcomes relevant to flood risk: *‘Clean, green and liveable: where people live in high quality housing and can care for and enjoy their environment’*. This report is relevant to a number of the Council’s corporate priorities but in particular “**clean, green and liveable** – improving environmental management, the cleanliness and care for roads and pavements and promoting a sustainable environment”.

- 3.5 The Home Energy Conservation Act (1995), as amended by 2012 guidance, sets a statutory obligation on local authorities to publish their plans to improve energy efficiency in housing in their local area. Authorities are required to produce reports every two years. Lewisham Council’s latest report was published in March 2017.
- 3.6 The Lewisham Poverty Commission was launched in February 2017 and brought together Lewisham councillors, local organisations and national experts to tackle poverty. The Commission’s new report includes 52 recommendations to:
 - enable local people to access decent work
 - reduce child poverty
 - tackle the housing crisis.
- 3.7 The Greater London Authority has published a draft London Environment Strategy & Fuel Poverty Action Plan setting out its approach to making London a global leader in reducing greenhouse gas emissions and a zero carbon city by 2050.

4. Background

National

- 4.1 The Government estimates that 2.38m households in England are in fuel poverty. In Lewisham 12,282 households (10.5%) are estimated as being in fuel poverty. There were over 4,000 excess winter deaths in London in 2014/15, 140 deaths in Lewisham. A third of excess winter deaths are attributable to respiratory disease.
- 4.2 In September 2016 the Government’s committee on fuel poverty warned that, without urgent action, targets in the national Fuel Poverty Strategy would not be met.
- 4.3 OFGEM¹ has identified that vulnerable households (low income, the elderly and people with long-term health issues) are more likely to be on high-priced standard variable tariffs and spend a higher proportion of their income on energy. The impact of high energy prices is greater on poorer consumers, and the situation has got worse. OFGEM’s figures for 2015 are that the poorest 10 per cent of households spent an average of 9.7% of their income on energy, compared to 5.8% of their income in 2005.
- 4.4 In October 2017 the Government published a draft bill implementing their manifesto commitment to put a price cap on energy bills. OFGEM already operates a price cap on energy bills for the 4 million customers on pre-payment meters and in October 2017 launched a consultation for an additional price cap targeted at a further 1m vulnerable households not on pre-payment meters but who are on standard variable tariffs. These proposals are expected to be implemented by February 2018 and are estimated to save households an average of £120 a year for dual fuel customers. The Government’s draft bill seeks to extend the cap to all customers of large-scale suppliers on standard variable tariffs.

¹ <https://www.ofgem.gov.uk/data-portal/energy-spend-percentage-total-household-expenditure-uk>

Regional

- 4.5 The Mayor of London's draft Environment Strategy sets out proposals for carbon reduction and fuel poverty under an umbrella of *Energy for Londoners*. In relation to energy supply the Mayor of London is proposing to tender with an existing supplier for a London-branded offer primarily focussed on offering fair tariffs to fuel poor households. The rationale for opting for a 'white label' option is to manage risk and allow proposals to be brought forward more quickly. It is however unlikely that this will have been procured and implemented before the end of 2018.
- 4.6 In October 2017 Islington Council launched its own 'white label' offer for energy supply, Angelic Energy, having appointed Robin Hood Energy as a supplier.

Local

- 4.7 The Mayor's Annual Report in March 2017 included the following: *"One way we may be able to help our residents is through cutting the cost of energy. There are some innovative schemes being developed which may make it easier to change to more economical providers but also deliver some wider benefits for the Borough. We have a very good track record as a Council in relation to energy and there are some great local schemes like South East London Community Energy. Over the next few months I want us to take a good look at whether we can do something to build on this."*
- 4.8 There are a range of ways in which the Council can help residents cut the cost of energy. This includes:
- Establishing a new local energy supply company (see section 5 below)
 - Advice and practical support for households at risk of fuel poverty (4.9)
 - Bringing energy company obligation funding (4.11)
 - Enabling heat networks using waste energy to offer low carbon and potentially low cost energy (4.12)
 - Promoting local community energy solutions (4.13).

Advice and practical support

- 4.9 Warm Homes Healthy People has run in Lewisham since 2011/12 assisting over 2,000 homes in that time. The visits offer:
- practical advice on how to stay warm in the home
 - access to the £140 warm homes discount
 - assistance with debt on energy bills
 - advice on switching tariff
 - draught-proofing and other energy saving measures
 - a free winter warming pack (blanket, gloves, mug, thermometer card)
 - referrals on to other sources of help
- 4.10 Lewisham Public Health funding for the project ended in 2016, but officers have so far maintained delivery by securing two separate one-off funding routes. At the end of September budget exists for a further 110 visits. After that Warm Homes Healthy People is likely to end unless an alternative source of support can be found.

Energy company obligation

- 4.11 Lewisham Council is currently working with South East London Community Energy (SELCE) on a project to target and engage with households that can benefit from the

current energy company obligation. The project makes it easier for energy suppliers to deliver the targets they have been set by Government to fund heating and insulation works for vulnerable households. Because of this the project generates a finder's fee for SELCE for qualifying households paid through the energy supplier funding with the intention that this creates a sustainable locally based resource. This innovative partnership established in Lewisham is a model that has potential for other boroughs and officers are working with other south London boroughs to roll the initiative out to other locations.

Heat networks

- 4.12 The South East London Combined Heat and Power plant run by Veolia in Lewisham has potential for up to 18MW of heat that could be supplied to local homes and businesses through a heat network. Installing the infrastructure for a heat network involves significant upfront investment and in an urban environment there are a range of constraints that add risk to any potential route. Lewisham Council has completed feasibility studies funded through the Government's Heat Network Development Unit into routes in New Cross and to development sites in the north of the borough showing significant potential for a commercially viable network that could deliver social, environmental and financial benefits to the borough. Officers are working with Veolia and with the Greater London Authority to develop this further.

Community energy fund

- 4.13 Tackling fuel poverty needs to be based on bringing together all available resources to connect with and provide support to vulnerable households. This is particularly true across the public sector and in relation to organisations working in the community and voluntary sectors. A community energy fund could be a way of supporting and extending these partnerships for the borough.
- 4.14 The Council delivered a grant funded project under the Green Deal Communities Fund ending in 2014/15. One of the outputs from the project was the creation of a loan fund to help small businesses access home retrofit supply chains. The loan fund has now completed and it is proposed that the £105,000 funding that is being returned to the Council is redeployed to pilot a community energy fund used to support local community and voluntary groups.
- 4.15 A community energy fund could be used to support a wide range of activity such as:
- Switching and practical advice
 - Collective purchasing of materials to reduce unit costs
 - Support for community share offers
 - Renewables
 - Lead generation
- 4.16 If agreed by the Mayor the details of the scheme will be developed in consultation with relevant service teams with a view to launching a Community energy fund for Lewisham in 2018, subject to any further internal approvals required. The project will be developed to maximise external resources that can be brought into the borough including the new Mayor of London's community energy fund. If the pilot is successful this could be something supported longer term through the Council's Carbon Offset Fund.

5. Option appraisal

- 5.1 There are a variety of options for getting involved in the local energy market, with a range of emerging hybrids. In general terms they can be characterised within the following three categories:
1. Ownership of supply and generation
 2. Tariff/purchasing offers
 3. Micro-generation

Ownership of supply and generation

- 5.2 This can involve the generation of energy directly or purchase of energy from generators and/or more widely through the wholesale energy market.
- 5.3 Some of the governance options relating to a heat network from SELCHP would fit with this model.

Tariff/purchasing offers

- 5.4 Local authorities can enter into arrangements with a supplier to become 'white label' suppliers, in effect putting their branding on another organisation's product. Local authority branding can add credibility to an offer and encourage people who might not otherwise participate in the switching market.
- 5.5 This approach can also seek to aggregate local demand to try and get a better tariff – a geographically specific variant of collective switching.

Micro-generation

- 5.6 Localised supply using renewable energy technologies. This can range from schemes that allow organisations to reduce their environmental impact and energy costs to models seeking to generate an income stream through the feed-in tariff or sale of energy at a reduced rate to the building occupant.

Assessment of options

- 5.7 Annex A lists some of the local authorities involved in this work nationally and some of the previous work that the Council has been involved in.
- 5.8 An analysis of the strengths, weaknesses, opportunities and threats of each of the options is included at Annex B. In relation to setting up a new energy supply company there are significant start-up costs and it would require large amounts of officer time to develop and implement. Given this it is recommended that the Council look to work with the new supply offers that are now emerging in London if these are shown to offer vulnerable households lower bills.
- 5.9 In the meantime officers will continue to work on the range of current workstreams that are also helping residents reduce the cost of heating their homes. If agreed this will include:
- development of a new Community Energy Fund to be launched in 2018.
 - continued work with Veolia, the Greater London Authority and others to develop a heat network from SELCHP

- complete the current funded round of visits under Warm Homes Healthy People and bring forward new proposals to offer practical support for households vulnerable to the cold

6. Financial implications

- 6.1 This report includes a recommendation that Mayor & Cabinet agrees the proposal to pilot a new community energy fund (4.13-4.16). This can be funded by £105,000 of grant monies provided under the Green Deal Communities Fund. This grant funding has previously been used to create a loan fund for small businesses to help them access home retrofit supply changes; the loan fund has now completed and is being returned to the Council.
- 6.2 This report also includes a recommendation that Mayor & Cabinet asks officers to develop options for future work to provide practical support to vulnerable households and to submit these to Lewisham's Health and Wellbeing Board (4.9-4.10). Presently, the Warm Homes Healthy People scheme has remaining budget for 110 home visits and has been funded through the British Gas Trust and the Better Care Fund.

7. Legal implications

- 7.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.
- 7.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 7.4 The duty continues to be a 'have regard duty' and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 7.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice".
- The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty.
 - The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions.

- The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value.
- The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

7.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- i. The essential guide to the public sector equality duty
- ii. Meeting the equality duty in policy and decision-making
- iii. Engagement and the equality duty
- iv. Equality objectives and the equality duty
- v. Equality information and the equality duty

7.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

7.8 The Council remains under a duty under Section 3 Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in respect of this report.

8. Crime and disorder implications

8.1 There are no specific crime and disorder implications resulting from this report.

9. Equalities implications

9.1 There are no specific equalities implications resulting from this report, but given the focus on fuel poverty it would be expected that work in this area will have a positive impact in reducing inequality.

10. Environmental implications

10.1 There are no specific environmental implications resulting from this report, but there are strands of activity that will promote carbon reduction and energy efficiency and therefore contribute towards delivery of Lewisham's target for a 44% reduction in carbon emissions by 2020 against a 2005 baseline.

11. Conclusion

11.1 It is recommended that the Mayor:

- Agrees that officers maintain a watching brief on new London energy supply models working with other boroughs and the Greater London Authority.

- Agrees the proposal to pilot a new community energy fund subject to any further approvals required (4.13-4.16)
- Confirms the Council's support, in principle, for a heat network in the borough making use of waste heat from South East London Community Energy subject to a further report being presented to the Mayor (4.12)
- Agrees that officers develop options for future work to provide practical support to vulnerable households and to submit these to Lewisham's Health and Wellbeing Board (4.9-4.10).

If there are any queries on this report please contact **Martin O'Brien, Climate Resilience Manager**, 020 8314 6605.

Background Documents

- Lewisham's Home Energy Conservation Report 2017
<https://www.lewisham.gov.uk/getinvolved/environment/energyefficiency/taking-the-lead/Documents/LewishamHECARReport2017.pdf>
- Lewisham's Statement of Intent for the Energy Company Obligation Flexible Eligibility
<https://www.lewisham.gov.uk/getinvolved/environment/energyefficiency/taking-the-lead/Documents/LewishamStatementOfIntentV.2.pdf>
- Heat Network Feasibility Study New Cross
<https://www.lewisham.gov.uk/inmyarea/regeneration/deptford/Pages/New-Cross-heat-network-feasibility-study.aspx>
- Heat Network Feasibility Study North Lewisham
<https://www.lewisham.gov.uk/inmyarea/regeneration/deptford/Pages/North-Lewisham-heat-network-feasibility-study.aspx>

Annex A

Local authority engagement

The table below provides an overview of approaches being taken by other local authorities:

OWNERSHIP OF SUPPLY & GENERATION	
ORGANISATION	DETAILS
Nottingham Council	Robin Hood Energy. Not-for-profit energy company also providing white label offers to others
Bristol City Council	Bristol Energy wholly owned by Bristol Council – buys energy on the wholesale market. People can pay for their energy in Bristol Pounds. All profits reinvested into the Council
Woking	Council buildings, offices and flats are powered by energy from Thameswey, a company owned by the local council
TARIFF/PURCHASING OFFER	
ORGANISATION	DETAILS
Cheshire East	Fairerpower for all - Ovo
Islington	Angelic Energy
Plymouth Council	Plymouth Energy - Ovo
Southend on Sea	Southend Energy
Leeds	White Rose Energy - Robin Hood Energy
Liverpool	The LECCy - Robin Hood Energy
SCOPING	
ORGANISATION	DETAILS
Greater London Authority	Energy for Londoners looked at 3 options: White Label Plus, with the option for PPA; Full Supply Licence – Mutual and Full Supply Licence – Consortium company. Proposing to set up a White Label offer. Developing their Licence Lite option to purchase energy from small-scale generators, with an initial plan for TfL to use this
Eastbourne & Lewes	Looking to set up a JV and going out to tender to try and find an organisation to partner with
Reading	Working with APSE Energy, has been in conversation with some southern local authorities to explore options
Leicester City Council & Leicestershire CC	Developing the white label option and have gone through a procurement process. Not yet named the organisation they are looking to work with
Isle of Wight	Developing a proposal with Reenergise. Would involve IoW putting in funding & anticipates a RoI within 5 years
Cornwall	Exploring the possibility of creating a Cornwall energy company which would improve fuel security and ensure the financial benefits of generating and providing renewable energy are retained locally.
Greater Manchester Combined Authority	Initial proposal to set up own company moved to an investigating a JV with another energy supplier with a PPA or white label agreement. Given increasingly competitive energy supply market, in October 2016 decided risks outweigh potential benefits

Lewisham Council's activity to date

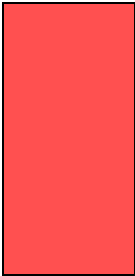
The table below sets out a range of activities carried out by Lewisham Council across the three broad areas of activity:

OWNERSHIP OF SUPPLY & GENERATION	
ACTIVITY	DETAILS
Loampit Vale ESCo	Working with developers and the ESCo operator to set up a network in the Loampit Vale development and, through Planning, to extend the network to other sites in the area
Heat network feasibility studies	Drawing in funding from the GLA and BEIS to deliver a heat mapping study and feasibility studies for a network from SELCHP to Goldsmiths and development sites in the north of Lewisham
TARIFF/PURCHASING OFFER	
ACTIVITY	DETAILS
Tariff-switching	Advice has been given to residents on how to assess whether they are getting good value for money on their energy bills, along with support to switch to a different tariff
Collective purchasing	Lewisham supported 'The Big London Energy Switch' in which residents were invited to sign up to a collective switching scheme which aggregated demand to try and get a better tariff than they were previously on
MICRO-GENERATION	
ACTIVITY	DETAILS
'Rent-a-roof' scheme	A pilot project was delivered with Lewisham Homes which saw solar PV installed on Lewisham Homes properties. The residents get the benefit of the free electricity and the company who installed and maintains the PV at no cost to Lewisham Council or Lewisham Homes, gets the feed-in tariff
Corporate PV	Lewisham Council installed PV on a school and two community buildings to reduce running costs and derive an ongoing revenue stream from the feed-in tariff
Community energy	Lewisham Council worked in partnership with South East London Community Energy to support a community energy bond which paid for the installation of solar PV on schools in Lewisham and Greenwich whilst providing an RoI for investors

Energy supply models SWOT Analysis

	OWNERSHIP OF GENERATION & SUPPLY	TARIFF/ PURCHASING OFFER	MICROGENERATION
STRENGTHS	Fits within general competency arrangements	Lower administrative burden	Low administrative burden
	Shows leadership and vision	Lower risk way to enter the energy marketplace	Flexible - both in terms of deployment of technology and also in terms of cost
	Generate revenue which can be reinvested in Council services	Low exposure to financial risk	Limited risk on any one install given the relatively low cost of the technology
	Able to put in place greater protections for vulnerable residents - e.g. in relation to pre-payment meters, disconnection processes etc	May be scope to offer advantageous tariffs to groups - e.g. people on pre-payment meters	Supports local security of supply by reducing demand on the national grid
	Ability to address carbon reduction aims by deploying renewable technologies	Potential to generate a small revenue stream from sign-ups	In some models, there can be an opportunity to provide energy at low/no cost to end-users which can help address other issues such as fuel poverty - e.g. rent-a-roof scheme
	Can cut costs for users with efficiency savings which can be passed on	Enables an organisation to make an offer to residents without the need for a subsidy or grant	Contributes towards delivery of the borough-wide carbon reduction target
	Can focus revenue back into other priorities – whether linked, such as addressing fuel poverty, or reinvested more broadly into supporting Council services		Helps reduce Council revenue costs if installed on own buildings
	Diversifies income base		
	Income generating potential which sits outside government funding		
	Keeps more money within the borough		
High degree of control over the tariff offer			

WEAKNESSES	Not currently a core Council function & would require new resources & skills which aren't necessarily available in-house		Feed-in tariff subject to political changes to date
	May be limited scope for reducing the carbon emissions from energy generated and supplied		Limited return on investment following the reduction in the feed-in tariff
	Political repercussions if tariffs rise or service quality falls, irrespective of the extent to which these issues can be controlled by the LA		Lack of investment in monitoring and maintenance can undermine outputs
	Uncertainty around consumer willingness to engage with new entrants		Potentially limited impact on carbon emissions
	Requires high-level leadership and ongoing support	Limited scope for developing a wider offer or moving into the generation & supply market without the need to start afresh	Degression rates for feed-in tariff installs provides a logistical challenge and also impacts upon financial viability
	Substantial start-up costs - Bristol Energy allocated £1,575m (of which £0.5m is contingency) and Nottingham Council invested c.£1m to set up Robin Hood Energy	Contractual arrangements with the white label provider seem to require a minimum number of sign-ups and penalties can arise if they aren't met, however there is limited control over the tariff and service, which will significantly affect take-up and retention	
	High level of risk in all the stages of the process	Upfront costs which may not be recouped by referral fees - Islington estimates c.£100k set-up costs for their white label agreement with Robin Hood Energy. These costs are in addition to staff delivery costs	
	High regulatory burden with a need to keep up to date with changes, albeit with scope to feed in to the process through responses to government and Ofgem consultations	Referral fees might not cover the revenue costs involved in delivering the obligations required under a white label agreement	
	Administratively complex	Low degree of control over the tariff offer	
	No in-house experience of setting up or running such a scheme	Small number of organisations currently interested in delivering white label offers may not lead to a strong offer being available	
May not contribute towards borough-wide carbon reduction targets	Unlikely to offer opportunities to deliver carbon reductions because there's little input into generation decisions		

	Without some investment it's hard to understand if there's a market available and, if so, what scale this is at	Benefits in relation to fuel poverty aren't clear generally and specifically when compared to other tariffs which are available	
	Entry costs for new suppliers are high, with set up, marketing and operational costs that may not be recouped in the short-medium term		

OPPORTUNITIES	Able to sell expertise/documentation to others on a consultancy basis - see e.g. Enfield	Extend the scope of the scheme to other local authority areas with the potential for increased income/economies of scale	Bulk purchasing power may help to reduce costs and could bring others in to the scheme
	Disruptive to the current energy market	Income could be reinvested in other energy efficiency schemes	Falling costs of renewables could allow for increased deployment
	Local training and employment - e.g. customer services; installation & maintenance; back office support	Direct marketing opportunities for other energy efficiency schemes can help to cut costs and increase take-up	Local training and employment in the installation & maintenance processes
	Increasing development and density offers the scope & demand to install and manage more generation capacity	Could be allied to wider energy efficiency offers for the able-to-pay market - e.g. boiler servicing/replacements etc	Linking renewables into battery storage can increase the outputs
	Can link in to wider development opportunities - e.g. Catford town centre, using this as an anchor load and larger energy centre	Gain a more detailed insight into the market and the business opportunities which can be used to inform development of other offers - including moving into the generation and supply side	Increased renewables can help to reduce air pollution - e.g. by supporting uptake of electric vehicles, avoided emissions from boilers
	Grid resilience increases the attractiveness of the borough as place to develop new builds		Work with local community groups to deliver schemes
	Many consumers are actively seeking more ethical providers - e.g. Ecotricity, Ovo etc - and this could provide a compelling offer		Scope for community bonds to fund installs and build interest within the borough for this
	As with Nottingham Council's Robin Hood Energy - could look to offer white label schemes to other public sector bodies		Income from renewables could be reinvested in other energy efficiency schemes

THREATS	Brexit increases costs & regulatory risks		
	Subject to regulatory changes which can affect the operation & financial modelling of the project - e.g. changes to feed-in tariff		
	High levels of political uncertainty and very different manifesto priorities from main parties at a time when there is a high potential for another election		
	Energy generation & supply is an increasingly politicised area		
	Better offers from other market providers can create a volatile customer base		Grid capacity may preclude connections for new renewables
	Demand destruction from energy efficiency & renewables deployment can impact profitability		Climate change impacts could affect the renewable technologies
	Reputational risks arising from service or tariff issues	Reputational risk in being aligned to a specific company	Efficiency of renewables is increasing rapidly and costs are falling. Waiting to install can lead to an ability to get more capacity for less financial outlay
	Need to purchase energy on the wholesale market means the organisation is more subject to geo-political issues affecting pricing	May reduce wider market competition because the price is decided in partnership with the supplier & creates an illusion of choice but there is little to differentiate offers	
	Increasingly complex market means there is a large amount of competition		
	Committing to an energy mix which may lead to costs down the line - e.g. carbon price		