

# The Hierarchy of Energy Sustainability Starts with Cutting Waste

White Paper

## The Problem

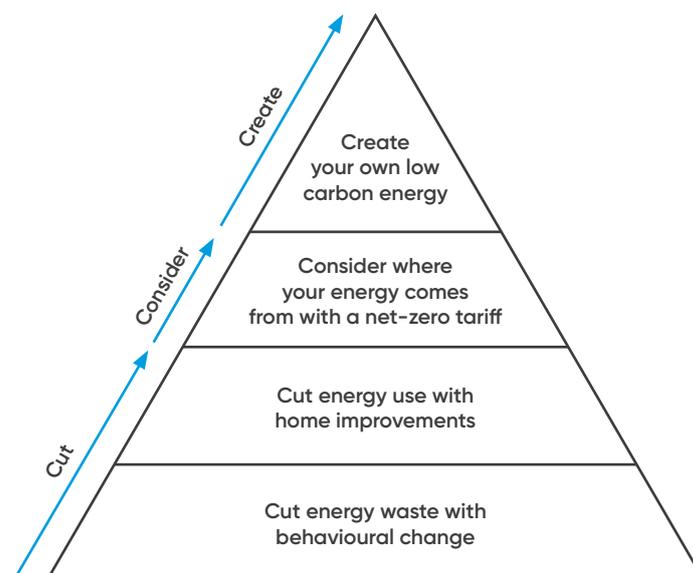
Approximately one fifth of the energy supplied to homes in the UK is wasted<sup>1</sup>. It is not in the interest of suppliers for this to change. The more energy they sell, the more potential they have to make a profit.

The Energy Company Obligation (ECO) scheme improves the way the home uses energy – but efficiency behaviour has been largely overlooked and that’s devastating for the environment.

A recent Utilita survey found nearly half of our customers say their previous energy supplier(s) had never promoted energy efficiency in the interests of cutting waste (46%), while more than half of all energy customers admit to being aware of their home energy wastage (54%) but only 8% claiming to never waste energy<sup>2</sup>.

The hierarchy of energy sustainability must start with reducing waste. Currently only 21% of bill payers in the UK believe the government has done enough to combat energy wastage<sup>3</sup>.

The 'Industrial Decarbonisation Strategy', published in March 2021 completely omits any reference to reducing domestic energy wastage – Chapter 7 is titled 'getting consumers to use low carbon' begging the question: Why aren't we doing what we can to help consumers to use no carbon?<sup>4</sup>



<sup>1</sup> Based on data revealing energy inefficiencies across 700k households over 3 years.

<sup>2</sup> A survey of 2,000 UK energy bill payers, conducted by OnePoll, from 22/11/2019 – 25/11/2019.

<sup>3</sup> A survey of 2,000 UK energy bill payers, conducted by OnePoll, from 22/11/2019 – 25/11/2019.

<sup>4</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970149/6.7279\\_BEIS\\_CP399\\_Industrial\\_Decarbonisation\\_Strategy\\_FINAL\\_PRINT\\_FULL\\_NO\\_BLEED.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970149/6.7279_BEIS_CP399_Industrial_Decarbonisation_Strategy_FINAL_PRINT_FULL_NO_BLEED.pdf)

This conflict of interest is harming the Government's efforts to reduce carbon emissions to net zero by 2050 – a deadline that could be met as much as two years sooner if UK energy companies tackled domestic energy wastage<sup>5</sup>.

Domestic energy is wasted as a result of two main factors. The first is inefficient dwellings – for example, no or substandard insulation or ineffective boilers. The second factor is behaviour – of those living in the dwelling. A lack of control over home energy usage results in higher wastage and costs.

## Consumers expect more from energy suppliers

To inform this white paper, Utilita surveyed 2,000 consumers. The findings revealed 40% of consumers do not consider themselves to be energy efficient at home<sup>5</sup>. Utilita's own customer survey revealed that 46% of households said their previous energy supplier(s) had never helped them to improve their energy efficiency to cut waste<sup>6</sup>.

Most energy bill payers understand that greenhouse gases generated by fossil fuels contribute to climate change, and that the side effects of which are experienced in the UK, e.g., floods, heatwaves (78%)<sup>7</sup>. For this reason, most energy bill payers (70%) believe the energy regulator should require all energy suppliers to give households more information about how their home uses and wastes energy and how they can reduce usage wastage to reduce their carbon emissions<sup>8</sup>.

## All energy suppliers have the power to help consumers save

Since 2014, every UK energy supplier has been able to access 30-minute smart meter data. This enables them to identify how their customers are using energy and where efficiencies and savings could be made. To the detriment of the planet, barring Utilita, no supplier has used this data to help households use less energy.

## Helping domestic energy customers cut wastage and use less

Utilita is the leading industry expert in energy intelligence. It fitted the UK's first smart meter in 2005 and about 90% of its customers are smart-enabled – roughly double the industry average. Unlike other energy suppliers, Utilita has utilised smart meter data to put power back in the hands of the consumer. It has enabled them to gain better control and visibility of their usage and wastage via the multi-award-winning smartphone app, My Utilita.

In early 2021, Utilita launched Smart Score, an industry-first feature that helps to reduce domestic energy wastage by up to 19% or £228 per year. This data-led innovation is an app-based feature that presents users with simple star ratings to demonstrate how efficient their home's energy usage is, and where immediate savings can be made<sup>9</sup>.

<sup>5</sup> A survey of 2,000 UK energy bill payers, conducted by OnePoll, from 22/11/2019 – 25/11/2019.

<sup>6</sup> A Utilita customer survey conducted in May 2021.

<sup>7</sup> A survey of 2,000 UK energy bill payers, conducted by OnePoll, from 22/11/2019 – 25/11/2019.

<sup>8</sup> A survey of 2,000 UK energy bill payers, conducted by OnePoll, from 1-7 April 2021.

<sup>9</sup> Utilita is helping homes identify and reduce their energy wastage by up to 19% based on the average household annual energy spend of £1400. Gas = £187 saving; electricity = £41 saving – total £228. This is calculated using the kWh element of the prepayment price cap for the period April 2021 for electricity and gas. Gas customers can save up to £186.67 of £365.30 attributed (excluding zero consumption element) to kWh consumption and for electric £41.39 of £571.90 totalling £228.05 for a dual fuel customer.

<sup>5</sup> If every household in the UK was helped to reduce their energy wastage this would produce carbon savings equal to 14% of national carbon savings required to achieve net zero by 2050 under the Climate Change Committee's "option 3" vs the business as usual scenario "do nothing" from the 6th carbon budget.

## What Utilita is doing

Utilita Energy is the UK's first supplier created to help customers use less energy. Even before Smart Score, its customers were using 11% less energy than the average household. This is a direct result of Utilita sharing energy intelligence via the My Utilita app, gained via real-time smart meter data.

Ratings are given for both electricity and gas and include information on overnight usage, items left on standby and power-hungry appliances. The biggest savings to be made tend to be warming up the home, or power-hungry appliances.

This complements Utilita's Energy High5 campaign that was launched in January 2020. The positive behaviour change campaign is designed to educate the nation on how every household can waste less energy and save money by making five simple and free-of-charge adjustments to the way energy is used in the home. It has reached more than 3.8m homes to date. It has been particularly beneficial to households who wish to reduce their GHG emissions but who have been 'frozen out' from accessing the best 'green' energy tariffs on affordability grounds.

## Smart Score is working; it's changing consumer behaviour

Utilita has made the invisible, visible. Most Utilita Smart Score users engage with the smartphone feature every 1-2 days (66%) or at least once a week (19%).

Of those actively engaging with the feature, 71% said they have applied the personalised energy saving tips and advice to reduce their wastage.

## What the industry must do

Utilita has provided clear and simple evidence to reveal all energy companies have it within their power to help their customers reduce energy waste.

We believe all UK energy providers should be obligated to offer energy intelligence information in the interest of the environment, and to help reduce bills for those experiencing fuel poverty.

If all UK energy companies were to join Utilita in their efforts to reduce their customers' energy waste by up to 19%, the UK would accelerate its race towards net zero by as much as two years.