



# Community energy solutions for local authorities

# Agenda

1. Who is OVO?
2. Community energy supply – a new opportunity
3. Introducing Ovo Communities

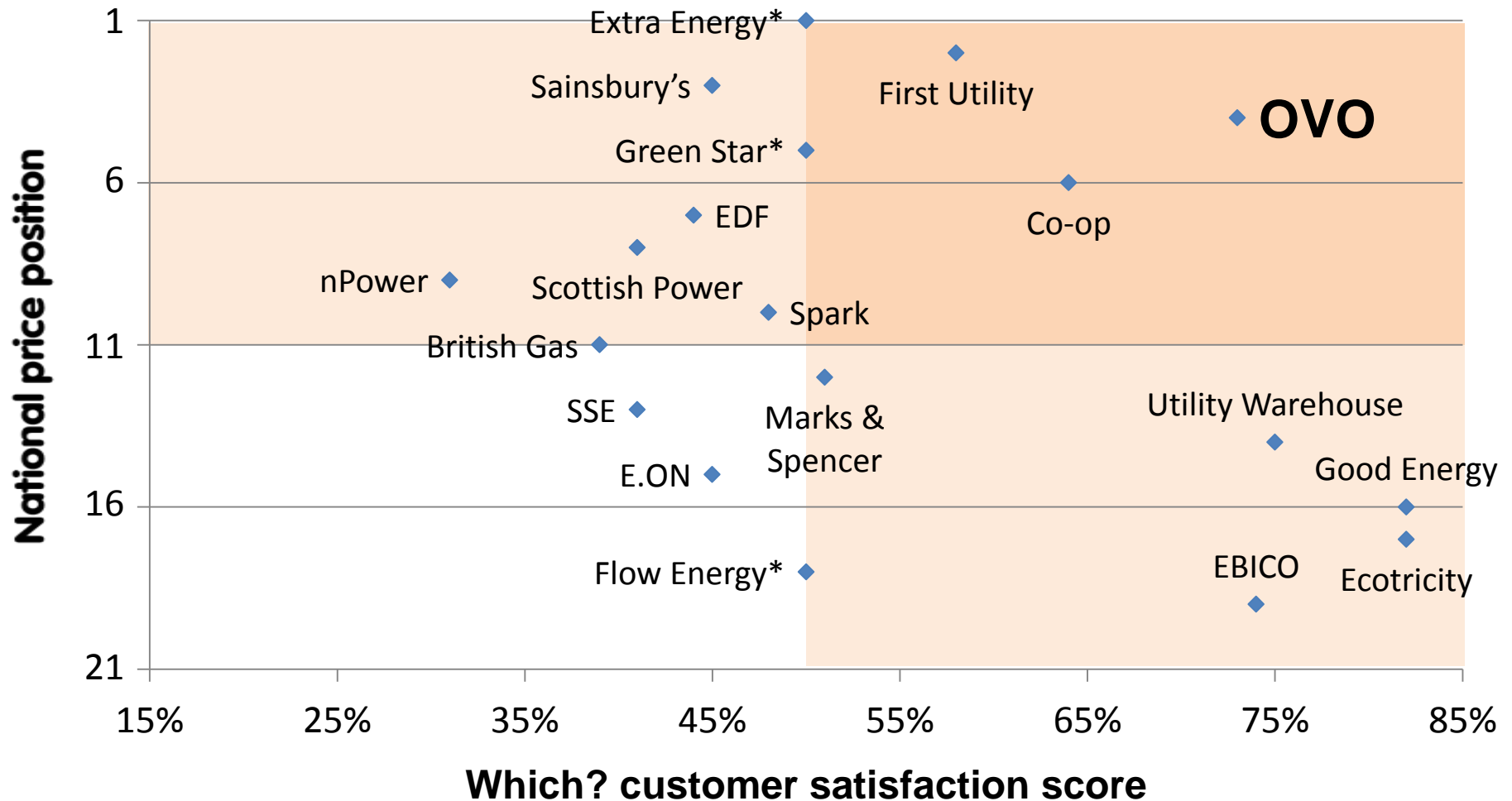


# Who is OVO?

- Launched in September 2009
- 400,000 customers and growing
- Independent and privately owned
- Focus on technology to create a highly efficient, scalable and sharable platform
- A simple idea: Surely energy can be done better!

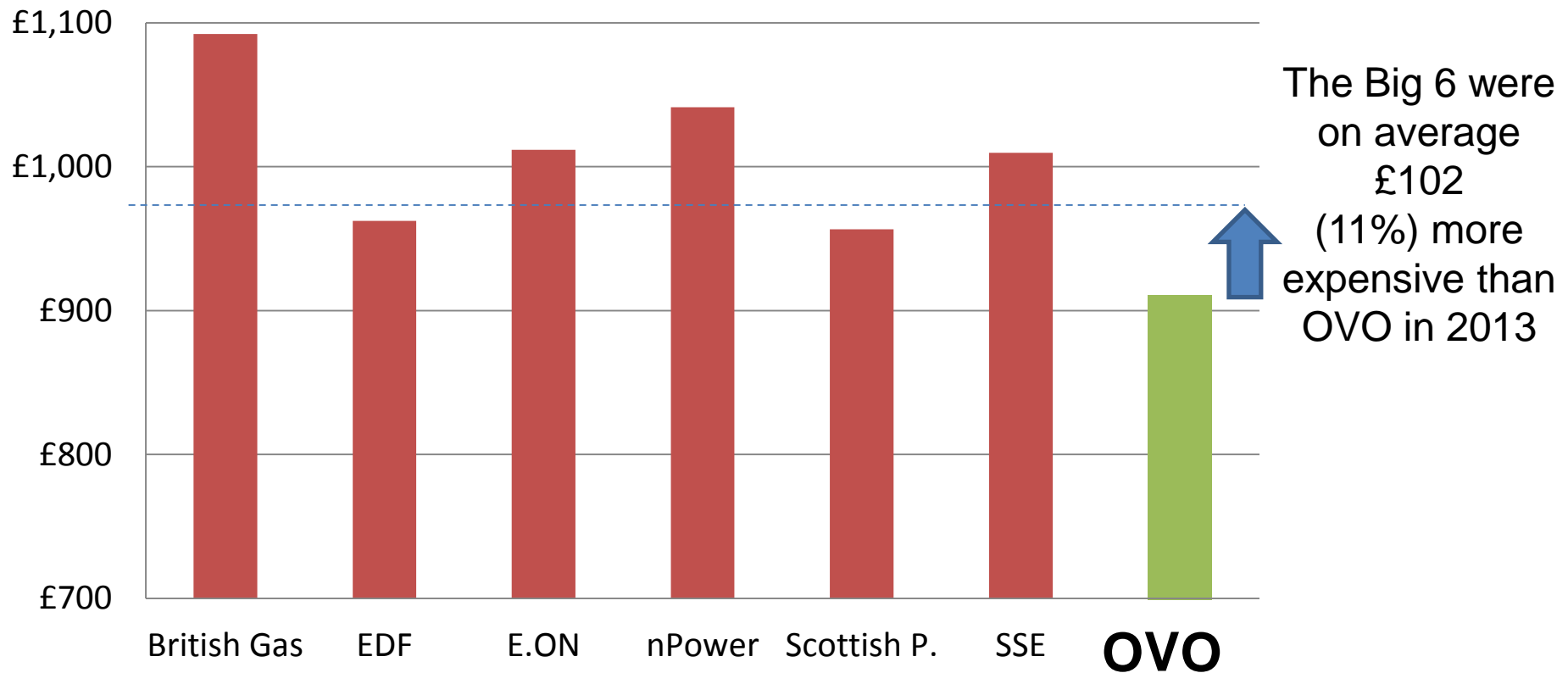


# OVO provides a market-leading combination of competitive pricing and excellent customer service



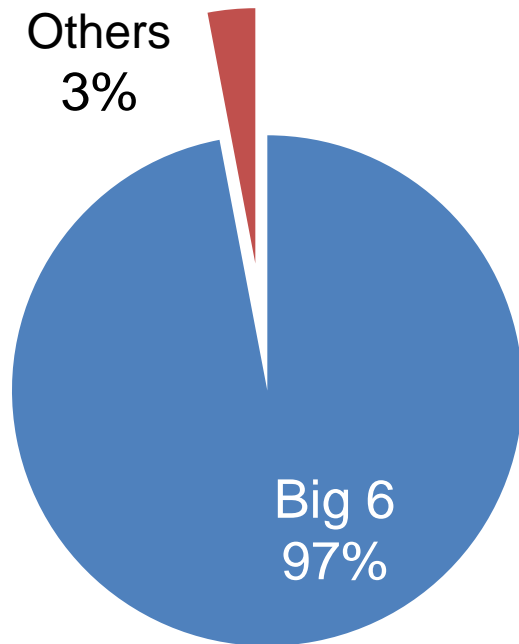
# OVO is much more efficient than the Big 6 – and we pass these savings on to consumers

**Average revenue for a medium usage customer (2013)**

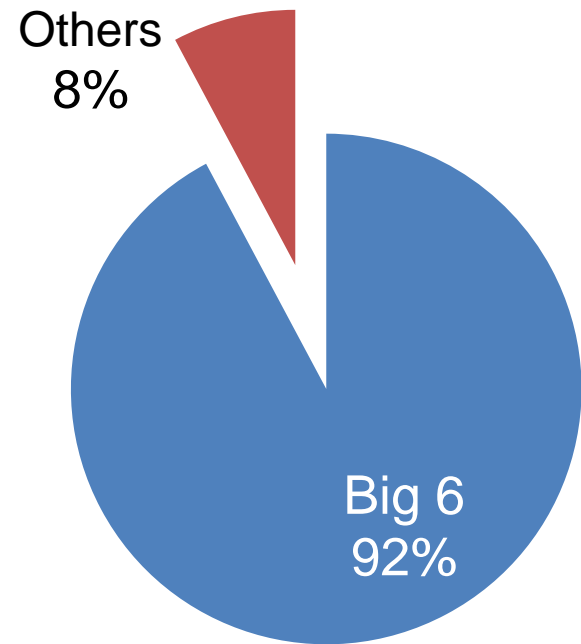


# Independent suppliers are starting to have a real impact on the Big 6

Domestic market share  
(summer 2013)



Domestic market share  
(April 2014)



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# Community energy **SUPPLY** presents a huge opportunity for delivering energy savings by...

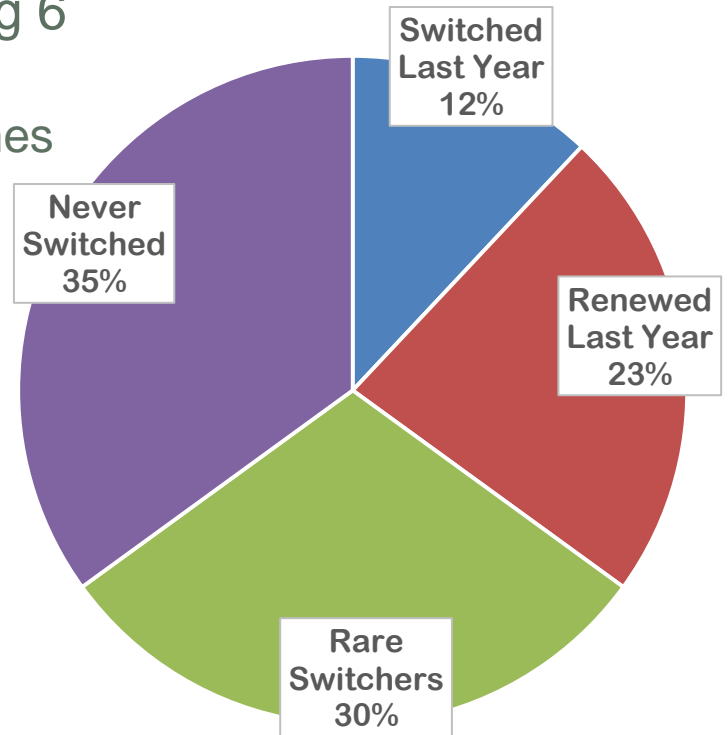
## 1) reaching 'sticky' customers

Around two thirds of households are on Big 6 variable rate tariffs

- High proportion of people on low incomes and in social housing

Big 6 variable tariffs are typically the most expensive way to buy energy. Yet these customers don't switch supplier, due to:

- Inertia
- Lack of understanding
- Lack of trust in energy companies
- Lack of tariffs designed for their needs



**A community energy supplier could encourage residents to switch and make sure the price they pay is fair**



# Community energy **SUPPLY** presents a huge opportunity for delivering energy savings by...

## 2) installing smart meters

c.**4.5 million** customers are on prepayment meters (16% of households) and are paying too much for their energy

Many are sticky customers and live in social housing

By switching to a smart meter Pay As You Go tariff with Ovo these customers can save **£110**

Ovo offers the cheapest prepayment tariffs in every region of the country

Innovation through smart metering = a huge opportunity



# Community energy **SUPPLY** can unlock the benefits of local generation

Local generation can benefit local economies and help tackle climate change but:

- 1) Can face challenges securing offtake contracts
- 2) Require community consent

Residents can invest in local generation and make returns...

- ... BUT this opportunity is not open to lower income households

**A community energy supplier can support local generation - including community-led developments - and pass the benefits on to ALL residents through cheaper tariffs**



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# We make it easy and low risk for councils to run their own energy supply business



# Ovo Communities was designed to meet local needs

- Only available to organisations focused on community benefit:
  - i.e. Local Authorities, Housing Associations and community groups
- No set-up costs
- Our partners get access to our expertise, infrastructure, systems and on-going support
- Fully customisable
- All services provided on a cost-plus basis

# An opportunity with 4 core components

1. Set fair prices for local residents



4. Source power from local generation and control what you pay

2. Install smart meters to reduce bills and provide consumption data

3. Access funding for energy efficiency measures

Our partners decide what they want to achieve. We help them achieve their goals.

Reduce bills for residents and tackle fuel poverty

Generate income

## Community Energy Supplier

Support and connect people to local generation

Have a stake in the new, smarter energy system

# Our first partnerships will launch early next year

Plymouth Energy Community to launch their company in Feb/Mar 2015

Announcements on new partnerships due shortly

High level of interest: in touch with nearly 200 organisations

Government wants this to work: Ed Davey and others highly supportive



# Thank you

OVO Communities website:

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