

**LBEG Meeting  
Tuesday 10 October 2017**

**Minutes**

**Attendees**

<b>Name</b>	<b>Organisation</b>
Bob Fiddik	Croydon (Chair)
Risa Wilkinson	Ealing
Andrea Latter	Enfield
Craig Allen	Feilo Sylvania
Danny Kyle	Feilo Sylvania
Sylvia Baron	GLA
Shaun Gibbons	Greenwich
Shaun Spencer	Hackney
Saeed Atlas	Harrow
Gonzalo Jimenez	Kensington & Chelsea RB
Andy Morgan	Kent County Council (LASER)
Matt Hull	Kent County Council (LASER)
Shadia Snelling	Kingston RB
Paul Bailey	Lewisham
Amanda de Swarte	London Energy Project
Motoko Yamane	London Energy Project
David Bell	Merton
Felix Onyeji	Newham
Jacob Adekunle	Redbridge
Rodrigo Matabuena	Sutton
Beata King	Transport for London
John Mitchinson	The Royal Hospital for Neuro-disability
Costas Panagiotakopoulos	Westminster
Anis Robinson	Independent
Rachael Mills	SE <sup>2</sup> (Secretariat)

**Apologies**

<b>Name</b>	<b>Organisation</b>
Lucy Padfield	Islington

## 1. Policy update

### Bob Fiddik, LBEG Chair

- The GLA has published the draft London Environment Strategy: see the presentation below for further details.
- Nationally, the Government is focussed on Brexit. That said, they have recently announced £65m for battery research, which is great but will be largely focussed on electric vehicles: it seems they keep missing the connection with PV (which they've put the brakes on with changes in FIT rates).

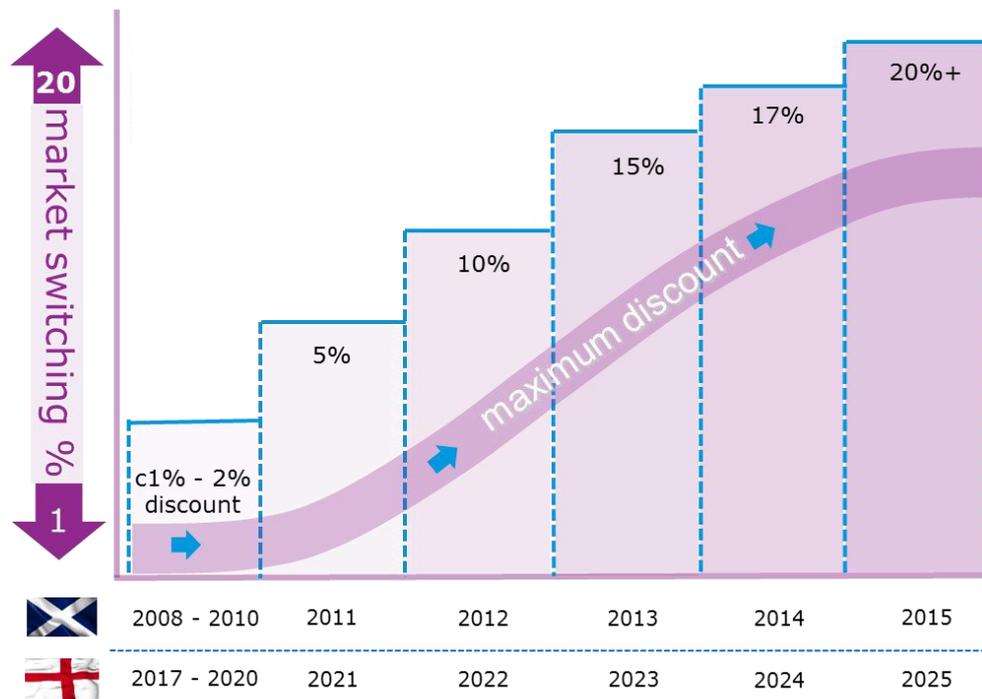
## 2. Water Deregulation Update

### Matt Hull, LASER (see slides)

[Matt.Hull@laserenergy.org.uk](mailto:Matt.Hull@laserenergy.org.uk)

- Key points
  - The market is operating
  - There is a difference of service between different retailers
  - Good portfolio data is critical to ensure switches go through smoothly
  - Importance of customer protection
- There have been c60k switches to the beginning of September 2017. Castle Water have lost the most supplies (ie customers have switched away). There's been far more switching by SMEs than expected, from which Everflow are benefiting. The majority of switches have been to a single supplier (drinking water + sewage).
- Complaints to Ofwat are slightly up but within an expected margin. 65% relate to eligibility.
- The English market is underpinned by the Central Market Operating System (CMOS). This is based on the Scottish database, where the market opened in 2008. However, there is no customer access to the data, and different levels of data access by licence holders has caused problems. There are also issues with data incompleteness and inaccuracy (eg abatement data has gone missing and so defaults many customers to 0%)
- The main impact most people will have seen was the mandatory switch from Thames Water to Castle Water, although it shouldn't have made that much difference to tariffs. Castle's focus has been on fairly aggressive expansion, going from <10,00 to over 300,000 customers.
- We've recently heard that South East and Yorkshire Water are due to exit the retail market: their customer base will be sold to another retailer. This shows how the market is shifting, adding to uncertainty.
- Why would you switch?
  - It puts you in the driving seat: Castle Water's 14-day billing terms are causing problems
  - You can benefit from efficiency savings

- Data is power: you could realise up to 25% savings by getting billing data straight into your system to help you identify leaks
  - Electronic billing also brings administrative savings by not having to manually input the data.
  - There are also some savings (c3.5%) linked to competition
- We are expecting to see similar market growth to what's been seen in Scotland with up to 28% savings:



- A London portfolio is very attractive to water retailers, which means you can put your demands on the table. You are attractive because:
  - Large high consuming portfolios
  - Reliable bill payment
  - Likely to use consolidated billing
  - Efficiency opportunities
  - High likelihood of switching
- Retail bill is only 7% of the bill, so small margin in which savings can be made. Retailer's role can be broken down into:
  - Customer service (even if it's wholesaler fault)
  - Taking meter reads
  - Payment of the wholesaler in advance (hence why terms are 14 days)
  - Billing the customer

Think about these variables: if you can help them and minimise their risk, they will be more likely in reducing costs to you.
- Taking full advantage of the market requires understanding your unique requirements. Things to consider when developing your spec:

- Billing requirements (EDI, consolidated and frequency)
  - Portal access
  - Additional services
  - Prices vs quality
  - Payment terms (late payment services)
- When to dive in? There was initially a lot of uncertainty, but this has settled down quite a lot now and initial bugs have been fixed.
  - Good data puts you in a strong position: collect a SPID (Supply Point ID) for every supply on your portfolio then check it against the CMOS – are there any missing?
    - Suppliers have a legal requirement to print it on your bill (since April 2017).
    - SPID for water in – 8 digits + W (drinking water) or S (sewage) + 2 digits at end.
    - If it's just an 8-digit number, it's just an account number – still useful as supplier can then go on the database when you go to competition.
    - Essential data collection data: site address and SPID.
    - Desirables: rateable value or meter, water meter size, annual consumption, % return to sewer, trade effluent, meter serial number

**Q1:** Castle's has an aggressive expansion strategy. Do they care they're losing so many too? Going forward, how do you see the market consolidating and minimising competition?

**A1:** If I was Castle, I'd be concerned about customers leaving – I think it's a huge problem for them. As more people switch, you can't buy those contracts out (eg Yorkshire Water). More people are considering customer service. Will it turn into a Big 6 of water? Quite possible

**Q2:** Are there any other water frameworks besides LASER?

**A2:** Yes! We spent 3 years developing ours. The water market runs very differently to gas and electricity: we've worked hard to make sure we can offer the best price for you

### **3. London Environment Strategy**

**Sylvia Baron, GLA (see slides)**

[sylvia.baron@london.gov.uk](mailto:sylvia.baron@london.gov.uk)

- This is the first fully integrated environment strategy for London, so it's quite long! It covers green infrastructure, air quality, noise, waste, adaptation, climate change and energy.
- The aim is to turn London into a zero carbon city by 2050 and re-establish London as a leader in tackling climate change.
- There are two core objectives:
  1. Reduce emissions of London's homes and workplaces while protecting the most vulnerable by tackling fuel poverty (fair tariffs, energy efficiency, fuel poverty support)

- 2. Develop clean and smart integrated energy systems utilising local and renewable energy resources (decentralised energy, solar generation and community energy, a smarter grid with demand side management)
- Public sector buildings have a key role to play. 42% of London's GHG come from workplaces and a quarter of those are public buildings. £3.1bn/year is spent on heating London's workplaces.
- What's in it for the public sector?
  - RE:NEW, DEEP, RE:FIT (REFIT to August 2019, RENEW successor programme about to be announced)
  - LEAP (Energiesprong)
  - Support and accelerate roll out of smart meters
  - Scrapping most polluting boilers from workplaces
  - Fuel poverty and solar action plans
- The consultation open until 17 November 2017. You can complete the online survey at **[London.gov/environment-strategy](https://www.london.gov/environment-strategy)**

**Q1:** How confident do you feel that London will actually achieve zero carbon by 2050?

**A1:** We have to set the ambition or it will never happen. The Mayor is very keen, has massively increased our resources, and there are lots of international partnerships and frameworks in place. The GLA has limited powers so have to work with partners, like the London Boroughs

**Q2:** How can you be sure current REFIT savings have actually been made?

**A2:** Yes, I'm aware there have been issues around some clients, which we're tackling now, especially around M&V. We have an improved framework with new suppliers.

**Q3:** What happens to REFIT after 2019?

**A3:** We are working on a successor programme at the moment. We're unsure as to whether we can offer the service for free, as we currently rely on EU funding. Funded models work elsewhere though (eg rest of England and in Wales).

**Q4:** REFIT has been useful, but is designed and delivered very badly. We've had bad experiences with ESCOs. This needs resolving or you don't get maximum efficiency / productivity

**A4:** We would love to receive your feedback. We evaluate every project we do

**Comment:** T&T have reviewed a number of times but there's a structural problem.

**Q5:** The Crown Commercial Service (CCS) is developing something similar to REFIT in next couple of years. Are you aware of this? It was announced a couple of weeks ago.

**A5:** I wasn't aware of this programme. However, the CCS is aware of REFIT as they're involved in management information.

**Q6:** The issues is that all London Boroughs are structured : they each have different relations with schools, which is where lots of the savings are. REFIT should be great in this sector, but it's difficult to break in.

**A6:** We have a separate workstream in REFIT for schools (and work with a provider who's an expert in schools) but it's difficult for us to work with (too small – especially primary schools). It makes more sense financially when they are clustered together.

**Comment:** schools are often missing statutory responsibilities, eg fire safety, legionella, etc. Could we offer them a traded service, bundled with a REFIT energy contract? Schools are most interested in replacement of expensive plant, rather than efficiency savings.

**Comment:** it may be a different message for different schools – environment, money, etc. We target IT (eg controls)

**Comment:** look at what the school is used for, what it is doing – look at their point of view. Schools aren't used for one purpose, and they don't have an energy manager.

**Comment:** there's lots of interest at the moment from Academies because they're responsible for their own bills.

**Comment:** we need to have educational packages / awareness raising too, eg schools' climate change / energy week (should be in first week of October, before the heating season starts - not in half term)

**Q7:** LES very useful and comprehensive but there's no action plan, to give confidence that this will be delivered and how. For example, the solar action plan relies on central government. Do you have an alternative plan?

**A7:** We need to get the objectives and trajectory right first – the action plan will come next. We need your consultation responses. For renewables we have a large team to lobby central government, but in parallel we need to plug the gap in London. This is where the community energy programme comes in: there's no central support so the GLA is developing a grant programme.

**Q8:** On the community energy project, have you had any LAs who've been successful?

**A8:** The grant scheme hasn't launched yet. We'll be targeting community groups. The projects may have links to LAs, but not lead by them.

**Comment:** Section 106 funds (carbon offset). If you haven't already, get more involved as Energy Managers in how this money is spent. It's a useful pot of money

**Q9:** Will there be fracking in London? Is it in the LES?

**A9:** ***Proposal 6.2.2d: The Mayor will oppose fracking in London***

*The Mayor has been clear that he opposes fracking in London and through the new London Plan he will consider policies to ensure that fracking is prevented in London. If any fracking applications were made in London in the Green Belt or on Metropolitan Open Land the current London Plan contains strong policies for their protection, however the Mayor will look to strengthen this policy further.*

**We then had a separate discussion on an LBEG response to the LES and agreed to:**

- Respond as individual Boroughs
- Ask what are the main issues for you? What's within your remit?
- Share headlines with other Boroughs to help thinking
- Talk to internal colleagues to see who else it effects – eg fuel poverty
- Highlight powerful and discrete role of Energy Manager and also the impact it has on schools

#### **4. London Energy Project Update**

##### **Amanda de Swarte, LEP**

- We are at a fairly advanced stage of tendering for a single water retailer for all the LEP authorities: we're putting a wrapper around London. We are looking for competitive retailers that will deliver good standards of billing/account management and water efficiency/savings and functional online portal. This will be through a single purchasing body.
- We've met with 5 water retailers and 3 buying organisations. It's very clear that if we bundle up our demand, we should receive an attractive offer due to our aggregated size and our close bounded location. Collaborative working also helps with leak detection: leaks don't recognise borough boundaries!
- We need to make sure service specification is correct and are putting a panel together to help advise. This will include core services, such as billing formats and query management, but also aspects such as water footprint, leak detection and repair, metering and data collection.
- We expect to know which central purchasing body we'll be using by the end of this week. We then need data and input from you: the more information you can provide, the better your price will be.  
**Outcome:** YPO to manage a mini-competition via Lot 3, CCS water, wastewater and ancillary service.
- Key question going forward: are you happy to do something quite simple (eg same retail margin for everyone), or Borough by Borough price (though still need single retailer to make efficiencies work)?

**Comment:** it would have to be a different price for every Borough: senior managers might not countenance spreading the risk; not everyone can accept EDI billing; not everyone has AMR. Perhaps you can narrow it down to factors that make a difference, then Boroughs can decide which they want and opt for that option. Or offer a price with discount (eg for electric billing or payment in advance).

**Response:** We will discuss this with all parties, but may look to a price minus option, e.g. is you pay by consolidated DD you get a discount, if you have paper to every site you don't, etc.

**Q1:** Can the Scottish market really be replicated in England? Its more complex in England

**A1:** It's a good indicator, but I agree it's not totally reliable. The Price Review (PR19) has said prices won't go up: the impact of PR will have to be included in any contract extension. London is attractive because there really is something to do about water efficiency and drought.

**Comment:** water wholesalers are being criticised for taking so much profit and not sending on to shareholders: room for efficiencies here.

## 5. Intelligent Lighting Controls

**Danny Kyle and Craig Allen, Feilo Sylvania**

[daniel.kyle@feilosylvania.com](mailto:daniel.kyle@feilosylvania.com)

- Reasons to work with us:
  - We will get to know your estate intimately
  - We understand the importance of meeting our individual customers' needs
  - We're fast, flexible, nimble and accommodating
  - We can customise our products/solution around your specific needs

### **Bexleyheath Library Case Study**

- We start with your issue, then work out a solution. For Bexleyheath library, energy saving was their first objective, a lighting solution was secondary.
- The installation was done at night time to allow ongoing service to customers.
- The system gives power to local users: they can change light levels themselves (eg book launch, school holiday event)
- T8s replaced with LED – c 450 fittings on 2 floors (including non-public areas)
- Costs:
  - Lighting costs were c £27.5k/year
  - Proposed costs £3k/year to run - £24.5k/year saving.
  - £80k install cost = payback of 10 years (just energy) or 3 years with all costs (including maintenance). We can finance this – eg spread over 10 years.
  - Expecting actual savings to be even better than this, based on 3 months monitoring (sub-metering on lighting circuits).
  - Reduction in cooling not included in calculations.
- Good feedback from customers on light levels.
- Saving opportunities:
  - Reduction in energy use
  - Reduction in maintenance costs
  - Intelligent controls adapt to use changes
  - Fewer call outs.
- Our intelligent lighting system – Sylsmart – is self-learning and predictive. It puts lights on when and where you need them.
- It provides the right amount of light, in the right place, for the right amount of time
- Sensors are built into fittings in the factory.

- The sensors in each light fitting all talk to each other: no additional hardware or wiring required, not compatibility issues. Just plug in and the luminaires will auto-configure: no commissioning required.
- The sensors create their own Bluetooth 5 mesh which is self-healing (recreates mesh if 1 unit replaced). Fails 'on' if sensor fails.
- Can have minimum light levels – eg in unoccupied corridors @ 30% - controlled through an app
- A wireless and battery free wall-switch can override controls – eg for presentations
- Adjusts light output over time to ensure surface lighting remains as required
- Also feeds into BMS and heat maps (eg can alter cleaning pattern if rooms not used). This can also be also useful for security and catering requirements because you know roughly know how many people onsite. You can use the data to generate better value.

**Q1:** Can you get different shades of white light?

**A1:** Yes, but it costs extra. There's lots research going into Secadian rhythm (the sun rising and setting and the different colour of light produced): it can help regulate sleep. It's called 'tunable white': 2600kelvin (orange – warming, come in & sit down), 4000kelvin (offices), 6000kelvin (stark, McDonalds, leave quick!)

**Q2:** Are you on the REFIT supply chain?

**A2:** We are a manufacturer, so no. But we know contractors who are. Our system is eligible for ECA and we've done SALIX projects in the past.

## 6. AOB

- We need your subscriptions! We'd like to better understand why some members can't pay – is it the amount (£200)? Or do you have no budget at all? Would different payment methods help (eg if you could put it on your expenses card)?  
**Action:** RM to ask members
- We are also keen to get your agenda / issue ideas for future meetings. Please email [rachael.mills@se-2.co.uk](mailto:rachael.mills@se-2.co.uk) with any thoughts.