

To invite the Council to endorse the affordable warmth manifesto for the Highlands and Islands in the following terms

AFFORDABLE WARMTH MANIFESTO FOR THE HIGHLANDS AND ISLANDS

To support other like minded organisations to bring the long-standing, energy pricing unfairnesses being applied to Highland & Island households to a rapid and conclusive end.

The context for this campaign is that the Highlands and Islands of Scotland experience the harshest climactic conditions in the UK and record levels of fuel poverty (71% of all households in the Western Isles according to a recent survey). Mains gas – which is by far the cheapest heating fuel – is simply unavailable for most Highlanders and Islanders, offering them no chance therefore of accessing the additional, money-saving ‘dual fuel’ discounts which are widely available across the rest of the UK. Moreover, there is far greater, area-wide dependence on the use of electricity for heating as well as lighting but the standard unit price charged is 2p a kw/hr more than in most other parts of the UK and 6p and more for the various ‘economy’ tariffs on offer. On top of all this there is also a far greater reliance in off-gas areas on using domestic heating oil and solid fuel which pushes up household heating costs further still. As a result, domestic energy bills in off-gas areas are, on average, around £1000 more per annum than the £1369 pa dual fuel national average (2014). To cap it all, customers on prepayment meters (often the least well off) not only have to pay additional standing charges but also discover that their notional right to change to a cheaper electricity supplier has become impracticable .

Such energy pricing unfairnesses are unacceptable wherever they occur in the UK

1. Standing charges and the price of a standard unit of electricity should be exactly the same wherever you live in the UK. The total costs of transmitting and distributing electricity across all parts of the UK, including the Highlands & Islands of Scotland and other ‘high cost’ areas, should be shared equally by all UK consumers and the standard unit charge equalised accordingly. Those on

pre-payment meters should have the same charges and choices as all other customers.

2. There should be no delay in equalising the standard electricity price in the Highlands and Islands. Priority action should be taken by the Government of the day – either before or immediately after the General Election - to ensure that the existing mechanisms of the Hydro Benefit Replacement Scheme and Common Tariff Obligation (which have consistently failed to create the expected level playing field) receive sufficient financial investment to bring electricity prices in the Highlands & Islands down to *precisely* the same average levels as are applied in the rest of the UK.

3. Moreover, off peak/economy rate electricity should also be made available to domestic consumers at exactly the same *minimum* unit cost wherever they live in the UK. To this end Ofgem should ensure that no electricity supplier can operate an *effective* monopoly in the Highlands & Islands and that customers can, *in reality*, switch easily and readily from one economy tariff to another and/or from one electricity supplier to another in order to make *clearly explained* savings on their energy bills and, in particular, the domestic heating element of those bills.

4. The currently unregulated domestic heating oil and LPG (bottled gas) supply market in the Highlands & Islands should be *thoroughly* investigated with a view to Government intervention (regulation and/or subsidy) that results in retail prices being brought down to UK averages. This is to ensure that the scarcity of suppliers in the Highlands & Islands cannot continue to mean that customers pay by far the highest prices in the UK - eg 20%+ more per litre of domestic oil than from the much more competitive Northern Ireland supply market.

Moved Robin Currie

Seconded Richard Trail