



**Department of Energy & Climate
Change**

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www.decc.gov.uk

Our Ref: 14/0701

Date: 23/06/2014

Dear

Thank you for your e-mail dated 2 May 2014 which amounts to a request under the Environmental Information Regulations 2004 (EIRs) as the information you have requested falls within the definition of 'environmental information' as stated in the EIRs. You requested the following information at an aggregated and individual energy company level:

- 1. The total amount spent by energy companies on delivery costs of the Energy Company Obligation.*
- 2. The total amount spent by energy companies on administrative costs of the Energy Company Obligation.*
- 3. The total amount collected from customer bills by energy companies for the Energy Company Obligation.*
- 4. The percentage of ECO targets achieved by energy companies, minus any multipliers, uplift or rolled-over credits from previous schemes.*

We have considered your request in accordance with the EIRs. Under the EIRs you have the right to:

- know whether we hold the information you requested: and
- if held, be provided with that information (subject to any exceptions under the EIRs which may apply).

Background Information

Until April 2014 DECC has maintained a voluntary arrangement with energy companies whereby suppliers provided DECC with monthly data on their ECO delivery costs and quarterly data on their administrative costs. On 15 April 2014, the Secretary of State wrote an open letter to suppliers moving this voluntary reporting framework onto a statutory basis¹.

Question 1)

- a) We hold this information at an aggregate level.

¹ <https://www.gov.uk/government/publications/letter-from-edward-davey-to-energy-suppliers-on-the-energy-company-obligation-eco>



This information is published in our quarterly Official Statistics series: “Green Deal, Energy Company Obligation (ECO) and Insulation Levels in Great Britain, Quarterly report: to March 2014”. The latest available detailed information, covering January 2013 to March 2014, can be found in Tables 1.13 and 1.13a of the Excel tables at the following link: <https://www.gov.uk/government/publications/green-deal-energy-company-obligation-eco-and-insulation-levels-in-great-britain-quarterly-report-to-march-2014>

- b) You have also requested the information at the individual energy company level. We hold this information.

We are withholding this information for the reasons given below.

Exception: Commercially Confidential

The requested information falls within the scope of the exception for confidentiality of commercial information where such confidentiality is provided by law to protect a legitimate economic interest (Regulation 12(5)(e) EIR). The exception applies for the following reasons (our reasons relate to the elements that the Information Commissioner considers must be established for the exception to apply):

- The information is commercial in nature – in so far as it will indicate the level of an energy company’s expenditure in delivering ECO measures.
- The information is confidential – it has been provided to DECC by energy companies on a clear understanding that the information at company-level was commercially sensitive and would be treated as confidential. Section 105 of the Utilities Act 2000 also recognises the confidential nature of this kind of information.
- Treating company level information as confidential protects a legitimate economic interest (the commercial relationship between suppliers and customers, installers, shareholders, other investors and other parties) and this interest may be harmed by disclosure. This is because :
 - The data are unverified by Government and may include errors or variances in collection methodology between companies. The energy company costs data held by DECC cannot be rigorously checked. There is therefore a risk that this information could be misleading (including to customers, installers, investors and shareholders who might make decisions about whether to invest in or contract with a supplier based on this potentially misleading data).
 - The data may reveal or be used in conjunction with other publicly available datasets to reveal commercially confidential information on energy company performance or delivery which could harm their ability to effectively deliver ECO. This could, for example, influence energy companies’ negotiation of contracts with the supply chain.



Public Interest Test

For the following reasons we consider that the public interest in maintaining the exception (and so withholding the information) outweighs the public interest in disclosing the information.

- We recognise that there is a presumption in favour of disclosure; generally, transparency and accountability in the activities of businesses providing a service to consumers is in the public interest.
- There is a public interest in protecting the legitimate commercial interests of energy companies. Cost information has been supplied to DECC by companies on the understanding that it will only be published in aggregate form to present the overall costs of delivery of ECO.
- We recognise that the public needs sufficient information to understand and debate the efficacy of ECO. Overall, we consider this interest is met by statistics published in our quarterly Official Statistics series on the overall cost of delivering ECO measures.
- We have considered the likely harm to energy companies' economic interests arising from an inaccurate disclosure. As the information is published without detailed verification we believe that publication could lead to commercial damage for one or more companies which may impact on the competitiveness of the market and the negotiating positions of the supply chain. We also believe that it is not in the interests of consumers to receive information at company level which is potentially misleading. As a result we believe there is a public interest in not releasing unverified cost data at a supplier level.
- The public interest in the confidentiality of this kind of information is reflected in the prohibition on disclosure of information of this kind provided for in section 105 of the Utilities Act 2000.

Question 2)

- a) We hold this information at an aggregate level.

This information is published in our quarterly Official Statistics series: "Green Deal, Energy Company Obligation (ECO) and Insulation Levels in Great Britain, Quarterly report: to March 2014". The latest available detailed information, covering January 2013 to March 2014, can be found in the footnotes of Tables 1.13 and 1.13a of the Excel tables at the following link: <https://www.gov.uk/government/publications/green-deal-energy-company-obligation-eco-and-insulation-levels-in-great-britain-quarterly-report-to-march-2014>

- b) You have also requested the information at the individual energy company level. We hold this information.

We are withholding this information at energy company level.



Exception: Commercially Confidential

The requested information falls within the scope of the exception for confidentiality of commercial information where such confidentiality is provided by law to protect a legitimate economic interest (Regulation 12(5)(e) EIR). The exception applies for the following reasons:

- The information is commercial in nature – in so far as it will indicate the level of an energy company's expenditure in administering the ECO scheme.
- Treating company level information of this kind as confidential protects a legitimate economic interest and this interest may be harmed by disclosure. This is because:
 - o The data are unverified by Government and may include errors or variances in collection methodology between companies. The energy company costs data held by DECC cannot be rigorously checked. There is therefore a risk that this information could be misleading (including to customers, investors and shareholders who might make decisions about whether to invest in or contract with a supplier based on this potentially misleading data).
 - o The data may reveal or be used in conjunction with other publically available datasets to reveal commercially confidential information on energy company performance which could harm their ability to effectively deliver or administer ECO.

Public Interest Test

For the following reasons we consider that the public interest in maintaining the exception (and so withholding the information) outweighs the public interest in disclosing the information.

- We recognise that there is a presumption in favour of disclosure; generally, transparency and accountability in the activities of businesses providing a service to consumers is in the public interest.
- There is a public interest in protecting the commercial interests of energy companies. Cost information has been supplied to DECC by companies on the understanding that it will only be published in aggregate form to present the overall costs of administering ECO.
- We recognise that the public needs sufficient information to understand and debate the efficacy of ECO. Overall, we consider this interest is met by statistics published in our quarterly Official Statistics series on the overall costs of ECO.
- We have considered the likely harm to energy companies' economic interests arising from an inaccurate disclosure. As the information is published without detailed verification we believe that publication could lead to commercial damage for one or more companies which may impact on the competitiveness of the market. We also believe that it is not in the interests of consumers to receive information at company level which is potentially misleading. As a result we believe there is a public interest in not releasing unverified cost data at a supplier level.



- The public interest in the confidentiality of this kind of information is reflected in the restriction of disclosure provided for in section 105 of the Utilities Act 2000.

Question 3)

We do not hold this information.

However, you may wish to look at Ofgem's Supply Market Indicator (SMI) as a proxy for this. The SMI is a forward-looking breakdown of supplier costs that make up consumer bills. <https://www.ofgem.gov.uk/electricity/retail-market/monitoring-data-and-statistics/understanding-energy-prices-great-britain/supply-market-indicator>

Question 4)

This information is generated by, held by and published by Ofgem. Ofgem publishes this information monthly as part of their ECO compliance updates at an aggregated level. Progress towards obligations is also published at the energy company level in the quarterly annexes to their compliance updates. The most recent published quarterly annex can be found at:

<https://www.ofgem.gov.uk/ofgem-publications/87182/energycompaniesobligationecocomplianceupdateandquarterlyannex-april2014.pdf>

In reply to your email of 12 June, section 39 of the FOI Act exempts the disclosure of information under the Act if the information falls to be considered under the Environmental Information Regulations (EIRs). As your request relates to the Energy Company Obligation the information you have requested does, in our view, fall within the definition of 'environmental information' as stated in the EIRs. We have therefore considered your request in accordance with the EIRs.

Further guidance on the EIRs can be found on the Information Commissioner's website at: http://ico.org.uk/for_organisations/guidance_index/~media/documents/library/Environmental_info_req/Detailed_specialist_guides/guide_to_environmental_information_regulations.ashx

If you still wish us to review the decision to treat your request under the EIRs, then please confirm.

Appeals Procedure

You may make a representation under regulation 11 of the EIR

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted in writing, within 40 working days of the date of receipt of the response to your original letter and should be addressed to the Information Rights Unit at the following address:

Information Rights Unit (DECC Shared Service)



Department
of Energy &
Climate Change

Department for Business, Innovation & Skills
1 Victoria Street
London
SW1H 0ET
Email: foi.request@bis.gsi.gov.uk

Please remember to quote the reference number above in any future communications.

[The enforcement and appeal provisions of the Freedom of Information Act 2000 \(regulation 18 EIR\)](#)

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF

Yours sincerely,

Household Energy Efficiency Directorate
Department of Energy & Climate Change