

**Energy Action Scotland Policy Position Statement - Energy Market**

Energy Action Scotland believes that it is fundamental to have a transparent energy market that consumers understand. This requires better information, simplification and the ability to easily compare and contrast different tariffs from different suppliers.

Energy Action Scotland has concerns about the make-up of the daily standing charge. Standing charges continue to increase year on year and have ramped considerably on electricity. Increasing standing charges means that any energy efficiency gains are not felt in terms of reduced bills. This part of the bill cannot be influenced by consumer behaviour and no matter how energy efficient the consumer tries to be, the standing charge remains the same.

Energy Action Scotland recommends that a better balance is struck to ensure that energy efficiency is incentivised whilst those with unavoidable high consumption are not unfairly penalised by a redistribution of cost.

Energy Action Scotland recommends that energy suppliers develop other solutions to high bills. Suppliers are already licenced to make it clear on consumer’s bills if they are on the cheapest available equivalent tariff from the same supplier however it is clear that information provided to households across suppliers is inconsistent.

Energy Action Scotland believes that smart meters are an effective solution to remove estimated bills and can provide consumers with information that can support them to minimise their energy use whilst not compromising their health and wellbeing. We are aware that a smart meter by itself does not make energy cheaper; it has the potential to impact on the accounting of energy use, so that the cost in the metering, billing and administration systems should in theory be cheaper. We believe that smart metering has the potential to provide real benefits for vulnerable and low-income householders, but only if these individuals are effectively engaged and supported throughout the smart meter journey.

The Radio Teleswitch signal which is due to be retired at the end of June 2025 is an area of great concern. Scotland has approximately 200,000 households where this signal interacts with their heating system. When the signal is retired it is likely that some heating systems may stay on or stop working. This could have a devastating impact on the health and wellbeing of many, many households. We believe that Government, Ofgem and energy suppliers need to provide assurances to households that their safety will not be compromised, that their energy costs will not rise or that they will not face any additional costs arising directly for this meter change. It remains unclear what protection will be in place in the event that a household does not move to a functioning replacement by the switch off.

We remain concerned about smart meters that are not working in smart mode and whether technology will have advanced in time to meet the latest revised and much extended deadlines of 2025.