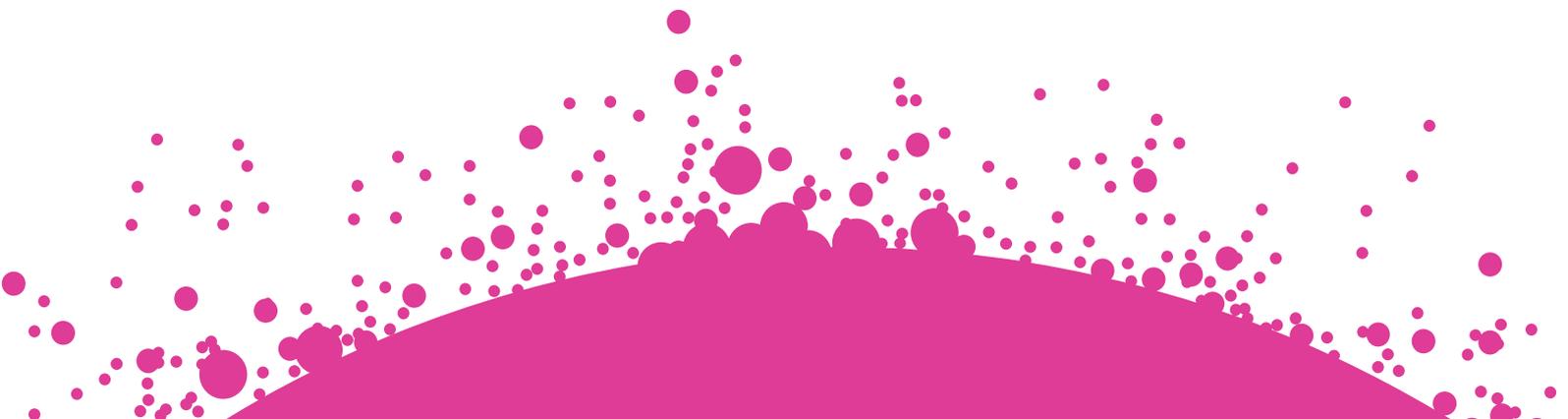


# BRISTOL energy

Our Annual Review 2016/17





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# Our journey

## Peter Haigh



**At Bristol Energy we do things differently. We give people a fair deal for something as simple as heating their home. And we'll use our profits to make Bristol a better place.**

It's called municipal energy. We're owned by Bristol City Council, which means our profits will be reinvested right back into the city. And our customers' energy bills can make a positive difference to local communities. Makes sense doesn't it?

We started Bristol Energy in 2015, but the idea was not in its infancy. Bristol City Council's vision of building its own energy company was born more than a decade ago. I'm proud to say we now have a team of more than 130 people, all working to create an energy company with a social purpose.

And we're proving popular with customers across the UK. From the Shetlands to the Isles of Scilly, people are switching in their tens of thousands to support a publicly-owned energy company that will reinvest its profits back into Bristol.

I'm often asked why we attract customers from outside of Bristol, and the evidence is clear: people want a better deal. There's been a long-overdue debate this year around energy prices, amplified by the General Election. And rightly so. For decades, people have been overpaying for their gas and electricity. And customer loyalty has been penalised. This has to stop.

The Government has demanded action on energy prices, which is good news, but we shouldn't need intervention. It's up to every energy

company to put people first. At Bristol Energy that means giving people the best possible price for their energy, and finding new ways to make sure our customers are always on the best deal for them.

31 March 2017 marked the end of our first full year of trading. And it was an extremely busy 12 months. We launched a variety of new products to give our customers choice, including a 100% renewable electricity tariff which remains one of the most competitive in the market. And we've welcomed hundreds of businesses from across the country to Bristol Energy too.

Of course setting up a new business also brings challenges. Last year in the energy sector was one of the most tumultuous I have ever seen. We buy energy on the wholesale market, and outside pressures saw these prices fluctuate dramatically. As a new business, it meant looking hard at our strategy, to ensure we could grow in a responsible way, and protect our customers from any dramatic price hikes.

2016 also saw Bristol City Council make some difficult decisions

## Let's all use our energy to make a positive difference.

about finances. At Bristol Energy we remain committed to being part of the solution. We will not make a profit overnight, but we are a long-term investment for the Council. And a way for all Bristol residents to be part of the solution too.

Being open and transparent is hugely important to me. There is increased scrutiny across the energy market and rightly so – we provide an essential commodity. For us, there is an even greater need to make sure the people of Bristol know and understand their city's energy company. You can come and see us in person at the Bristol Energy Hub on the Harbourside, to pay a bill, switch or just ask us a question. A rare thing in what is traditionally a faceless industry.

We also want to share our progress. This annual review is one way we can do this, but we will not stop here. We will continue to share the challenges as well as celebrating the successes.

Tackling fuel poverty is the biggest challenge we face. It affects 2.3million people in the UK\*. That's millions of people forced to choose between heating or eating. Millions of people who can't afford to keep themselves or their families warm in the winter. Access to fairly priced gas and electricity lifts people out of poverty and helps people and businesses to thrive. We will continue to do everything we can to tackle this. And live up to our values.

We are also looking to the future. The digital landscape will bring us smarter technology, and our team is ready to launch the next generation of smart meters into people's homes.

We've also seen some exciting renewable milestones this year: National Grid announced the UK's first ever coal-free day in April, and on 26 May solar generation alone provided more power than nuclear generation during the middle of the day.

We're buying more and more energy from renewable sources, to help build a greener, more sustainable future.

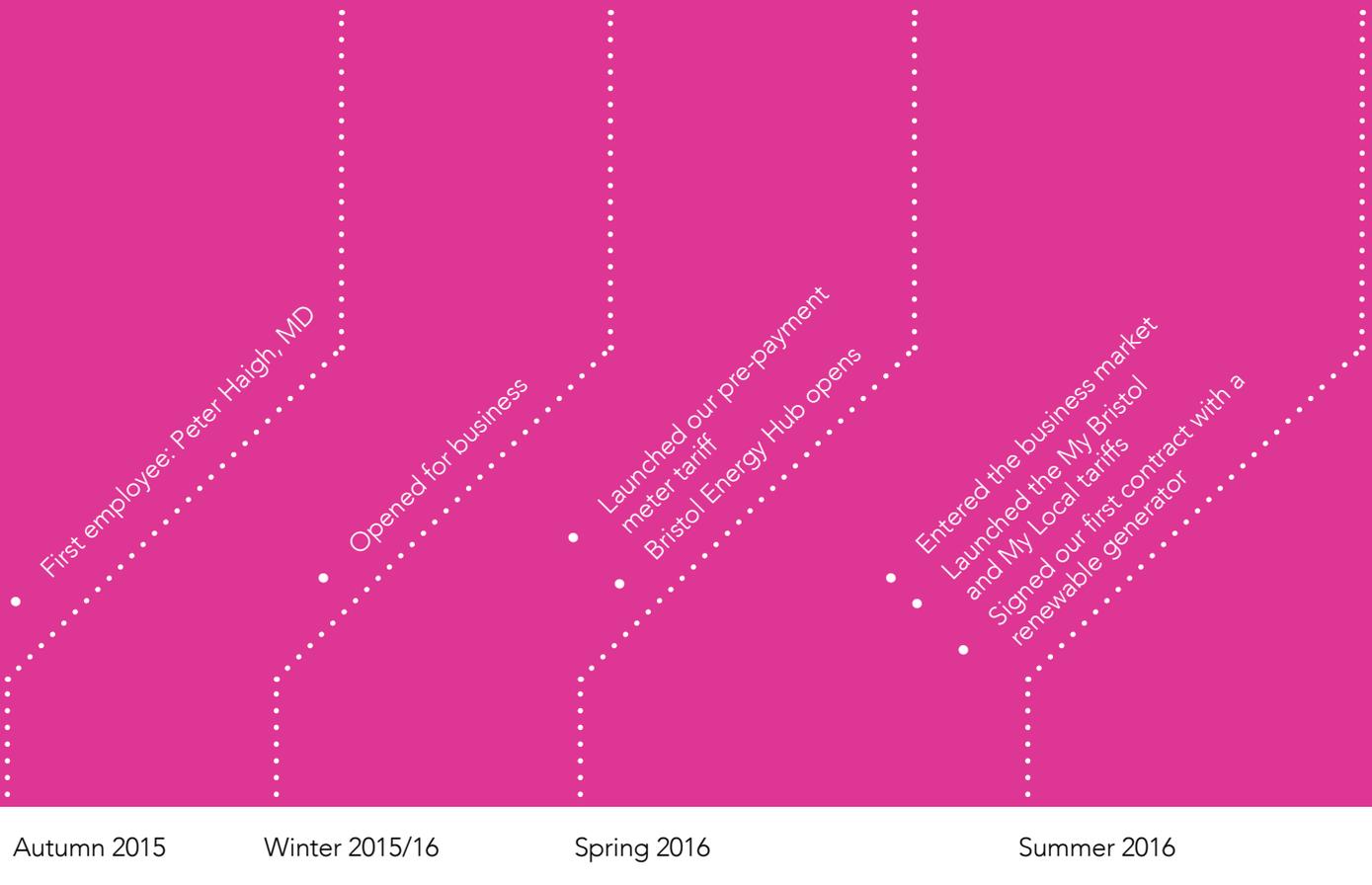
Have you changed your energy supplier recently? If not, you could save more than £200 a year in a simple switch. Choose Bristol Energy, and you could make a difference to local communities too. Let's all use our energy to make a positive difference.



**Peter Haigh**  
**Managing Director**  
 peter@bristol-energy.co.uk

\*<https://www.theguardian.com/society/2016/dec/30/millions-families-living-fuel-poverty-england-statistics>

# Our journey so far...





- Offered Warm Home Discount to the Core Group charity Caring in Bristol
- Announced our first partnership, with homeless
- Opened up payments in Bristol Pounds
- Launched a 100% green electricity tariff

Autumn 2016

- Most popular tariff on uSwitch for our region
- Reached 100 staff members
- Launched a green tariff for business
- Started working on a tariff for people in fuel poverty

Winter 2016/17

- Mentioned in the House of Commons
- Launched a two-year fixed tariff
- 32 generators giving us green energy
- 37% renewable energy across the business

Spring 2017

# Highlights



## Fair and transparent tariffs for people nationwide

**Fairer energy**

 **99%** of our customers have saved money with us.

**£219** is how much our average customer saves per year.\*

**Greener energy**

**100%** renewable electricity when you switch to My Green Plus



**Clearer Energy**

 **Thousands of people** visited our Bristol Energy Hub: for face to face support, or to attend an event.

**A better way**

**Local support:** we launched our best deal for Bristol residents.

**Parliamentary support:** our drive to tackle fuel poverty was mentioned in the House of Commons.



**Awards:** We won Best New Business and the Platinum Award at this year's Bristol Life Awards. And the Bristol Energy Hub was recognised for making energy more accessible in the Sustainability First awards for innovation.



**131 members** of the Bristol Energy team (31 March 2017).

**We're popular.** In November 2016, our fixed tariff was the most popular in the region on price comparison website uSwitch.



\*Projected average customer saving when switching gas and electricity supply to Bristol Energy based on Ofgem's standard domestic consumption values.



The Bristol Energy Team at the Bristol Life Awards

# Our performance

**Our goal is to deliver a profit to the Council, whilst growing in a measured way**

The financial year 2016/2017 was the first full year of trading for Bristol Energy. We were focused on establishing the fundamentals of a start-up energy business, to make sure we can both grow our customer base, and be a force for social good in the energy market.

The retail and wholesale markets have been volatile and challenging. Therefore, it has been critical to balance customer growth with profitability and investment requirements. Our goal is to deliver a profit to the Council, whilst growing in a measured way that protects our customers and our business.

Despite the challenging market conditions, the last 12 months have seen strong customer growth. **We also launched a number of new products for residential customers,**

**including a 100% renewable electricity product, a 2-year fixed deal, and an offer specifically for people with a Bristol postcode.**

And we also launched our business offering, which included a 100% renewable tariff for our business customers.

As part of our mission to be as inclusive as possible we voluntarily signed up to offer eligible customers the Warm Homes Discount. We also continued to offer a highly competitive pre-payment tariff throughout the year, which was already compliant with the new pre-payment Price cap introduced by Ofgem in April 2017.

**Our clear objective is profitability. As a start-up energy business, it was always anticipated that we would not reach this point until later in our development.**

However, we have made good progress towards delivering on key targets, as set out in the table below.

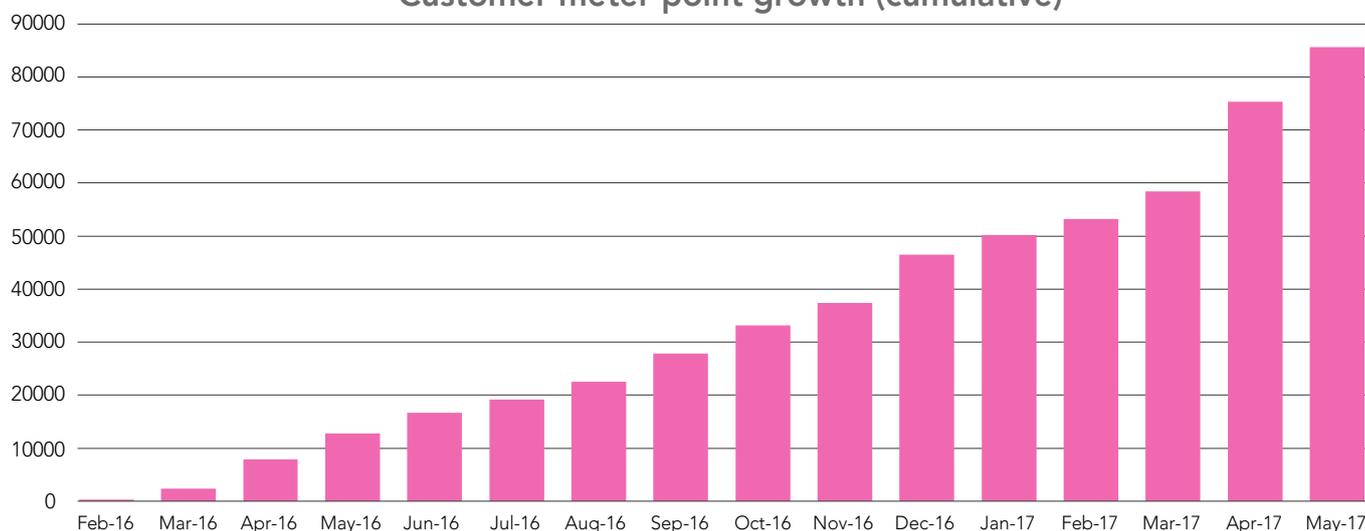
In particular, our turnover increased from £0.1m in 2016 to £13.7m in 2017, with an increase in gross margin £-m of £0.5m. Despite substantially increased revenue, our loss for the year was £7.7m. This is because we continued to invest in our customer service, our team, and our systems, to drive Bristol Energy forward.

We are on target to deliver a profit to the Council by the end of the tax year 2021, in line with a business plan agreed by Bristol City Council in January 2017.

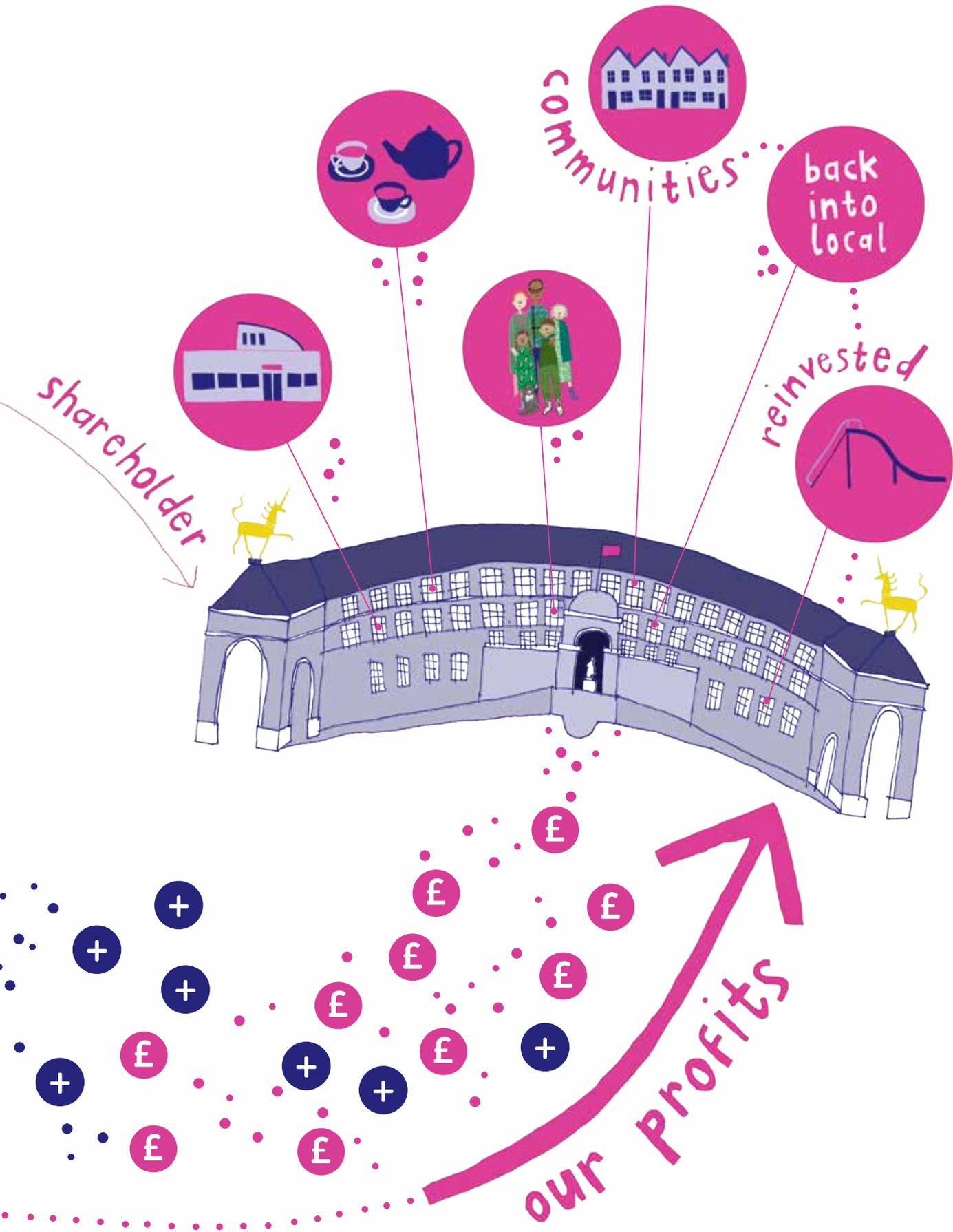
Key performance indicators	Up to 31 March 2017	Up to 31 March 2016
Residential customers on supply (meter points)	58,129	3,319
Business customers on supply (GWh)	31	-
Turnover	£13.7m	£0.1m
Gross margin	£0.5m	£-m
EBITDA*	£(7.7)m	£(3.1)m
Funding (preference and ordinary shares)	£15.3m	£3.9m

\*Earnings (loss) before tax, interest, depreciation and amortisation

**Customer meter point growth (cumulative)**







# Reinvesting in local communities

# A force for social good



Bristol Energy was set up to be a force for social good. What does that mean? For us, and for Bristol City Council it's simple.

## People deserve to be treated fairly

According to Ofgem, two thirds of people are paying too much for their energy\*, because they haven't switched to a cheaper fixed deal.

We believe in pricing fairly across all our products. We won't be the cheapest, but we set our prices to reflect the cost of energy on the wholesale market. So if we make a saving on the energy we buy, we pass this on to our customers.

## Standard variable versus fixed tariff

There's been much debate this year about putting a cap on the Standard Variable Tariff (SVT). Often, this is a higher rate tariff that customers automatically roll onto when their fixed rate expires. Historically, these tariffs have been set at rates that unfairly penalise customers. And they hit the millions of customers who don't switch, including some of the most vulnerable.

Price cap or not, we believe energy suppliers themselves should be doing more. We keep our standard tariff as low as we can, and we are always looking for new ways to make sure people are always on the best deal for them.

Currently (June 2017), only 9% of our customers are on our Standard Variable Tariff.

## We volunteered to offer the Warm Homes Discount

In 2016, we were one of just three smaller energy companies to volunteer to offer the Warm Homes Discount, a £140 discount on a winter energy bill for those most in need.

Currently, only companies with more than 250,000 customers are obliged to join the Warm Homes Discount scheme. For us, it was vital that we were able to help our more vulnerable customers now.

We offer this discount to customers who are in the Core Group, which is people in receipt of the Guarantee Credit element of Pension Credit.

\*CMA Report 2016 <https://www.gov.uk/government/news/cma-sets-out-energy-market-changes>



### Tackling fuel poverty

This year, we worked with the Centre for Sustainable Energy and some of the city's leading advice agencies to launch a discounted product for people living in fuel poverty. After an initial trial, we are now working to expand this project in time for Winter 2017/18.

### Pre-payment meter customers

Our tariff for pre-payment customers is one of the most competitive on the market. This has always been important to us.

Four million households in the UK use a pre-payment meter, and in the past these tariffs have been as much as £220 more than a supplier's cheapest deal – often penalising some of the most vulnerable customers.

To tackle this problem, a pre-payment meter cap came into force on April 1st 2017. Our pre-payment meter tariff was already one of the cheapest on the market, and below the cap – which is where it will stay.

### Face-to-face customer care

William Page Court is a retirement complex in South Gloucestershire. Following one gentleman's visit to the Hub, a further 22 of his neighbours have visited the Hub to make their switch. One of the residents, Robert, recently told us why he prefers an energy company that you can meet in person:

**"Bristol Energy is cheaper, but it's also local – which was important to us. It can be very difficult to get through to your energy company. With Bristol Energy we like the fact that we can always come and speak to someone in person. It just makes things easier. And everything works very well."** Robert, Bristol



**"I chose Bristol Energy because I believe that energy needs to be transformed from a purely profit driven commodity into something that provides a public service for the good of us all.**

**Knowing that every pound spent is contributing to these aims makes me feel like a catalyst for change."**

Julian, Somerset

# Our customers

Our customers are at the heart of our business. Families, homeowners, tenants, landlords, businesses or communities – we all deserve something better. So our prices are straightforward, fair and reflect the energy market. This means, when we make a saving on the energy we buy on the wholesale market, we aim to pass it straight on to our customers. We're Bristol-born but with a national reach. So whilst we have a strong foothold of customers in Bristol and the South West, we also have customers in the Shetlands and the Isles of Scilly.

## Customer growth

As at 2 July 2017, we had **89,406** customer meter points on supply with us. A customer meter point is someone's gas or electricity meter.

This means we're supplying **49,670** households across the UK.

In November 2016, we were the most popular product in our region on the price comparison site uSwitch.

## Customer savings

We save our dual fuel customers, on average, **£219\*** per year.



Bristol Energy customer and pensioner Jenny Whittle lives on her own in a small flat in Weston-Super-Mare.

*"I was with one of the bigger energy suppliers before switching to Bristol Energy, and was amazed at how much I was overpaying. I lost my husband a few years ago so live on my own in a small flat, and don't use a lot of energy. I only have four radiators and I'm very sensible with my energy use!*

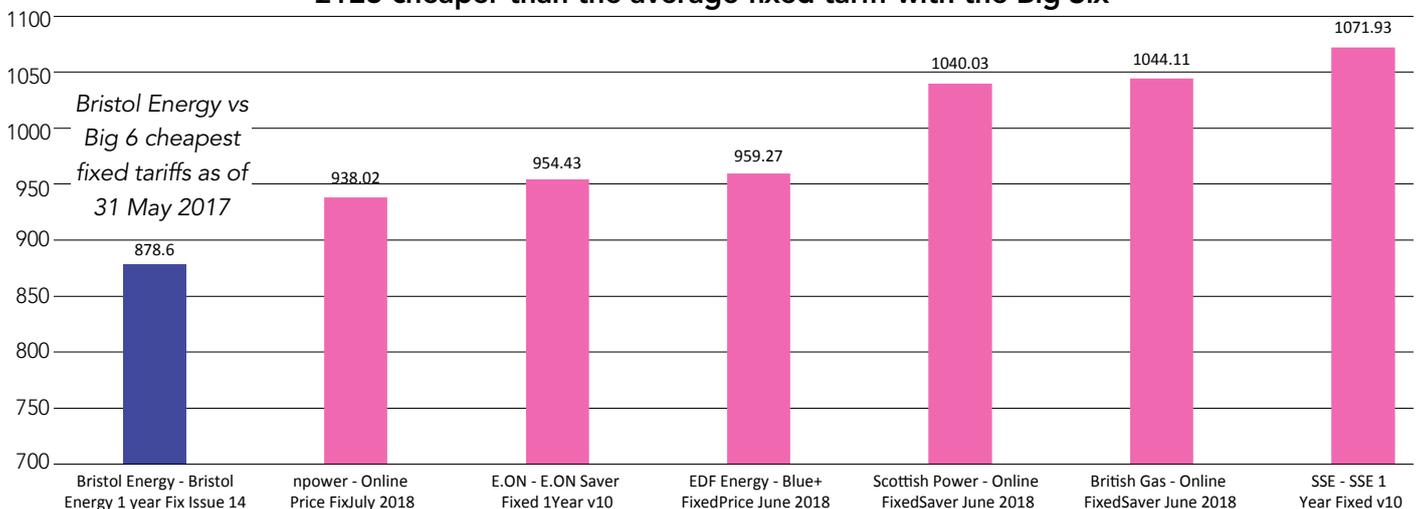
*I would urge everyone to shop around. And don't always rely on your existing energy company giving you the best deal."*



Social worker and mum of four, Sarah, lives in a busy three-storey house in the centre of Bristol with her husband, two grown up daughters back from University, and a teenage son.

*"I decided to switch to Bristol Energy because it was the cheapest and because it's a local, ethical company. I'm paying for something that I have to pay for but there are added benefits in that it's a company that reinvests money back into the Bristol community, and that's trying to do something to tackle fuel poverty."*

**As of 21 June 2017, our National 1 year fixed deal was £123 cheaper than the average fixed tariff with the Big Six**



\*Projected average customer saving when switching gas and electricity supply to Bristol Energy based on Ofgem's standard domestic consumption values.

# A fairer deal for businesses

We offer competitive deals to support businesses across the country.

Research from the Federation of Small Businesses suggests that half (52%) of small firms have been stung by unfair contract terms with their suppliers, at a cost of nearly £4 billion over the past three years.<sup>1</sup> This could include suppliers tying businesses into lengthy notice periods, failing to make auto-rollover clauses clear up front, or charging high early termination fees.

At Bristol Energy we know that large energy bills can break a small business. By keeping our prices competitive and offering fixed contracts that are clear and simple, we can protect our business customers from the vulnerabilities in the energy market.

On 2 July 2017, we had 1,360 business premises signed up to Bristol Energy, from across the country.

Around one third of our business customers are in the south west region, including a large number of charities, schools and SMEs.

We also supply large sites across Bristol, from leisure centres to bridges, the city docks to schools.

This year, we also launched a 100% green electricity tariff for businesses across the country.

And we're keen to help businesses better manage their energy use too. We work with Sustain to offer a free energy health check for local customers.

We also understand just how precious time is, so we've launched a simple online quoting tool for businesses. This means it takes just a few minutes to get a quote, and we're able to handle contracts electronically too.

If you're keen to switch your business, visit: [www.bristol-energy.co.uk/business](http://www.bristol-energy.co.uk/business)

## Rob Wall, Owner, Roll for the Soul



**Roll for the Soul is a not-for-profit café, bike workshop and social enterprise in the heart of Bristol. Thanks to a successful crowdfunding campaign and some grant funding, the café opened in 2013 serving vegetarian and vegan food. The upstairs bike workshop services everything from carbon time-trial bikes to shoppers rescued from skips.**

**Owner Rob Wall told us why he switched to Bristol Energy.**

*"For a small business, it's important to find savings wherever you can, and Bristol Energy could provide a cheaper deal than our previous supplier. But it was also important to us that we avoid the big six energy companies, so it's great to have the option of a locally-based supplier. It makes sense to pay our bills to an organisation that shares our values, and it means that money stays in the city. It's a win-win."*

<sup>1</sup><http://www.fsb.org.uk/media-centre/latest-news/2016/08/22/unfair-contract-terms-costing-small-firms-billions>

# Our people



We train our customer care team to give the best possible service to all our customers

Bristol Energy has a team of passionate individuals, all determined to use energy to make a positive difference to our customers, and to Bristol.

With more than **130 staff** members, we have successfully attracted expert talent from across the region, all proud to be working for an energy company with a purpose.

A successful company begins with an engaged team, so training is incredibly important to us.

## From 1 April 2016 – 31 March 2017:



**4,076** hours of formal training was provided to colleagues.

In **35** different topics.

**104** colleagues took part in a voluntary training event.

## Customer Care

We train our customer care team to give the best possible service to all our customers, and to give expert help and advice to some of our more vulnerable customers too.



**34** customer care colleagues are World Host trained and accredited, a mark of excellent customer service. Bristol Energy achieved World Host Accreditation in September 2016.

**8** colleagues are City & Guilds trained in 'Energy Advice and Awareness'

**10** colleagues trained in 'A practical guide to debt'.

On 1 April 2017 75% of colleagues had a Bristol post code.

## Peer to peer training:

**2** colleagues are trained to deliver 'Energy Advice by phone' training to other colleagues, which is now built into training for all new customer care colleagues.



### Volunteering



We also encourage our staff to volunteer with charities and organisations across the city. In the last year, this has included night shifts at a homeless shelter, giving computer literacy support to older people, and working as a magistrate.

### Work experience and internships

We've provided **43** weeks of work experience. This included working with the Remploy scheme to provide a three week work placement in our sales team for a disabled person seeking to re-enter work. And three internships given to students from the University of the West of England, working with our trading and commercial team.



### Learning at Work Week inspiring creativity

This year, we took part in Bristol's Learning at Work week. The Bristol Energy Hub hosted a variety of workshops for staff, including creative writing, social media and a poetry through sign language session. We also welcomed pupils from Bristol's Hannah More Primary school who spent a morning building rockets with experts from the Bristol Aviation Museum.

A group of 10 and 11 year olds from this inner city school spent the morning learning about gravity, air resistance and thrust, before designing, building and launching their own rockets.

Have we inspired the next Concorde designer or Tim Peake? Who knows, but the children had an inspiring morning, and our staff did too.

**"It was brilliant. I now want to be an astronaut when I grow up"**



# Fair and straightforward energy for all

Bristol Energy was set up to offer fair and transparent energy for everyone. So we have developed a range of products to help everyone get a better deal, and join an energy company that gives back to local communities.

We're a national company, but our roots will always be in Bristol. By reinvesting our profits into our home city, we can support Bristol City Council to meet its social, economic and environmental goals. And make this city an even greater place to live.

Therefore we will always save our very best deals for customers with a Bristol Postcode. We launched the My Bristol tariff in August 2016.



## Our products

**My Bristol Tariff**  
for Bristol postcode residents

**My Local Tariff**  
for customers in South West area postcodes

**National One Year Fixed**  
available nationwide

**National Two Year Fixed**  
available nationwide

**My Green Plus**  
100% renewable electricity,  
available nationwide

## For business

**One Year Fixed**  
available nationwide

**Two Year Fixed**  
available nationwide

**My Business Green**  
100% renewable electricity  
available nationwide

## Go green and give back

We launched a 100% renewable electricity tariff this year too, making Bristol Energy the first energy company in the country to offer green energy and reinvest its profits back into local communities.

Launching a green tariff was a natural choice for us, both to give our customers choice, and to support renewable energy sources for a more sustainable future.

And where better than Bristol to be going green and giving back. The city has a well-earned reputation as

a green and innovative city. It was the first city in the country to be granted European Green Capital, has more cyclists than any other UK city and the lowest CO2 emissions of any major UK city too.

Our green tariff is open to national customers, so everyone can feel the benefits.

## Using smart technology

Smart meter technology will revolutionise the energy sector.

Smart meters and smart homes are the future of our energy use. Having

a smart meter in your home helps to manage your energy and gives you a greater understanding of the gas and electricity you consume. For the energy industry, smart technology will better balance supply and demand, helping to reduce our national energy footprint.

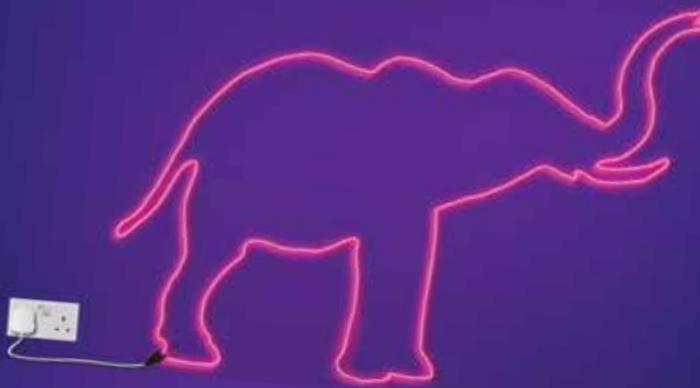
Our smart team launched a trial with the first generation of smart meters. We will now use these learnings to make the next generation of the technology available to our customers later in the year.

"Everyone loves the city and Bristol Energy really reflects that attitude... It's about doing something for local people, for your neighbours, for community groups, and I think that's really special. It's about giving something back to the city that you love. That, for me, is a major selling point." James

"I would just like to say that I like dealing with your company. You are very professional, easy to contact and in general provide a very good service, with just the right amount of communication!" Maren

# Businesses, don't ignore the elephant in the room

Reduce your gas and electricity bills with Bristol Energy and your business could win £500\*

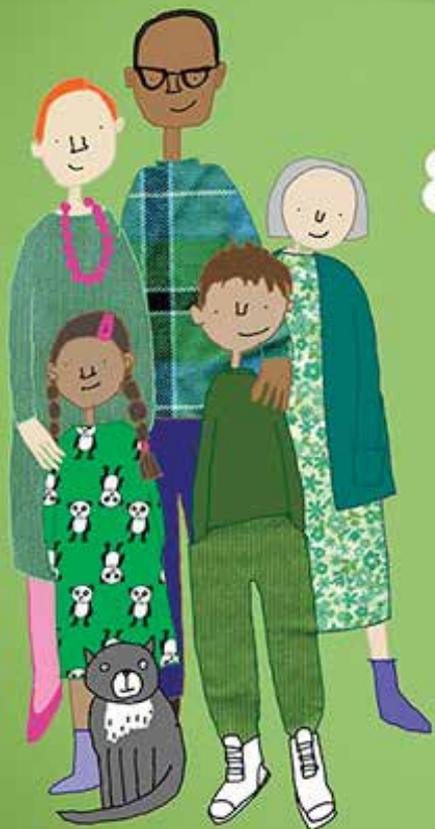


Join the stampede of businesses who are saving money by switching to a more ethical energy supplier. Bristol Energy saves you money on your energy bills and reinvests profits into our local community. Switch to us between now and October and you could win £500 to spend on your business.\*

Call us free on 0808 168 3888 or visit [businessquote.bristol-energy.co.uk](http://businessquote.bristol-energy.co.uk) to get an instant, no obligation quote and be entered into our monthly prize draw to win £100 Lovezshop vouchers.\*\* It only takes a few minutes.

**BRISTOL**  
energy

## Go green & give back



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