



# TOGETHER WE CAN SAVE YOU MONEY ON YOUR ENERGY BILLS



## Frequently Asked Questions

### 1. Is the registration really free, meaning there is no obligation?

Yes, there really is no obligation.

After the auction every participant receives a personal overview. The outcome of the auction is calculated based on the personal usage you provided and is compared with the tariff you're currently on. You have no obligation to accept the collective energy switch offer that is available. Use your annual statement to compare prices. You decide whether the offer is interesting enough to warrant a switch. Your participation does not incur any participation charges even if you decide not to accept the offer.

### 2. I don't have an internet connection or an email address. Can I still participate in this scheme?

Up to five households can register using the same email address -- so if you know somebody who doesn't have email, you can use your email address to register (please note that you will also receive their offer). Alternatively if you don't have Internet you can register at your local library, children's centre or at one of the events we will be running during the registration period. Detail of these events will be published shortly.

### 3. I rent my house, can I also participate?

Yes, tenants can also take part in the collective energy switching scheme and take advantage of the outcome. That said, the energy bill has to be in their own name or that of their partner.

### 4. I do not live in one of the participating councils -- may I participate in this collective switching scheme?

You do not have to live in one of the participating councils to take part. You may register from anywhere in Great Britain.

### 5. Why is Big Community Switch organising a collective energy switching scheme?

The Big Community Switch is a collective energy switching scheme in which a large group of local authorities throughout Great Britain come together. These Councils have joined forces to collectively offer their residents the opportunity to group together and pay less for their energy.

They are in an ideal position to enable residents in their city, borough, district or county to gather together to save considerable amounts of money on their household energy costs through a 'reverse auction'.

## **6. What is iChoosr's role in this process?**

iChoosr is an independent and completely impartial service provider. They aim to provide you with a better energy deal and also ensure that your switching experience is convenient and carefree.

iChoosr has four years of experience in the organisation of collective switching schemes. After iChoosr has assembled a group of participants it organises an auction day and the cheapest supplier for the participants in the scheme is the winner. The participant decides whether the outcome of the auction warrants switching to a new supplier.

iChoosr does not supply energy but might be able to help you save money in a simple and transparent way. iChoosr receives a small commission payment from the supplier who offers the best deal, if you choose to accept the winning bid and switch to the winning supplier. We continuously monitor all the suppliers and update all our information to ensure our results are comprehensive and accurate.

## **7. How much will I save?**

Your potential saving depends on your current tariff, payment method and your electricity and gas usage, but ultimately on the winning bid. Your personal proposal will allow you to make a comparison between your estimated current spend and estimated future spend calculated from the tariff details of the winning bid.

If you provide us with information about your current energy use, we will send you an estimate of your current annual cost and your new estimated annual cost for energy based on the winning offer. By comparing the two you can find your potential saving.

Please be aware that unfortunately we can't guarantee that everyone will be able to save money by switching energy supplier. For example you may already be on a good-value tariff.

## **8. Why do you negotiate contracts with a fixed term?**

iChoosr consciously chose to develop collective switching schemes for fixed contracts with a tariff that remains unchanged during this term. That way you can always be sure that the cost will not change for the duration of your contract.

If we auctioned variable tariffs then the winning suppliers would be able to adapt the tariffs for the next period themselves. This would be detrimental to the transparency of the auction and the outcome for the participants.

## **9. How is my energy bill calculated?**

The average utility bill is made up of several different components. Below we provide a breakdown of the average utility bill to give you a better idea of where your money is going:

- 2% of your gas bill and 1% of your electricity bill is for meter provision. Meter provision is the cost of your meter, plus its installation and maintenance
- 4% of your gas bill and 10% of your electricity bill are used for "Environmental costs". Government environmental initiatives have an impact on the cost of your gas and electricity because a proportion of your bill is used to subsidise them. These charges are not itemised on your bill, so you won't see exactly how much you are contributing.

- Contrary to popular belief, you do not pay full VAT on gas and electricity, but you do pay some. Currently VAT payments are capped at 5%.
- Another 3% of your gas bill and 17% of your electricity bill are used for transmission networks. These costs include the service to deliver electricity and gas to your home, and some of the cost of building and maintaining transmission chargers is passed on to customers.
- 21% of your gas bill, 17% of your electricity bill is reserved for distribution charges. Some of the cost of building, maintaining and operating the local gas pipes and electricity wires which deliver energy to the home is passed on to customers.
- 64% of your gas bill, 63% of your electricity bills is the charge for the actual gas and electricity that you use, which makes up the bulk of your bill. Wholesale cost refers to the price that the energy supplier has to pay for the gas and electricity they buy.

Supply costs are the costs the energy supplier incurs for the general administration associated with a retail business - for example running a call centre and sending out bills - these vary according to what tariff you are on. Profit margin is the amount of profit the energy supplier makes from each tariff.

## **10. Are there other ways of reducing my electricity and gas charges than switching suppliers?**

Yes. The cheapest energy is the energy you don't use.

Get billed for what you use not what the energy company thinks you have used – take regular meter readings and submit them to your energy company either online or over the phone. If you are struggling to access your gas or electricity meter call the Home Heat Helpline FREE on 0800 336699 to find out what support your energy company could give with reading your meter. Or go to their website on: <http://www.homeheathelpline.org.uk/>

There are several power-hungry appliances around your house which you may not be aware of. You can save a lot of money simply by changing your habits. Most of your money goes to heating your home and your water. If you follow these tips you could save on your heating bills:

1. Turn your thermostat down by 1 degree. An average living room should be heated to about 21 degrees Celsius and bedroom to 19 degrees Celsius.
2. Your house should be adequately insulated. Although loft and cavity wall insulation may require an investment on your behalf it can easily save you up to GBP 130 a year in heating costs

Your washing machine, refrigerator, freezer and cooker also take up a large portion of your energy. Here are some tips to reduce these costs:

1. Do your washing less frequently by making sure the washing machine is full every time.
2. Where possible, use the 'economy' setting on your washing machine or wash at 30° C
3. Dry your clothes outside or on a clothes horse (make sure to ventilate if you dry your clothes indoors).
4. Replace your current refrigerator/freezer with an energy efficient model. Look for the energy efficiency stickers on modern appliances. The greener, the better.

Consumer electronics, including DVD players, TVs and computers also consume a lot of energy.

You can reduce this cost with the following tips:

1. Never leave any electronic appliances on standby.
2. Do not let your laptop and/or mobile phone charge overnight as you waste energy doing this.
3. Do not leave your computer or peripherals on if you are not using them. Set them to hibernate.

A large portion of your energy bill goes to lighting your home. The quickest, easiest way to save on your lighting cost is to:

1. Buy energy efficient light bulbs. They last up to 10 times longer than normal light bulbs and could save you up to £40.
2. Always remember to switch off the light when you leave a room.

Implement these simple actions and see exactly how much energy you are saving by tracking your weekly energy usage. Plus see if you are using energy appropriate to the weather outside – being energy efficient with your heating. Go to: <http://www.imeasure.org.uk> and register to monitor your energy.

Finally, find out what energy efficiency measures you could get for free whether you own or rent your home. Call the Energy Saving Advice Service on 0300 123 1234 (available Monday to Friday 9am to 8pm and Saturday 10am to 2pm at national rate call) or visit <http://www.energysavingtrust.org.uk> and find out what support or grants your local Council may have.