



Consumer-led Flexibility Engagement Consultation Response

This response is submitted by the Low Carbon Hub IPS Ltd on behalf of its network of 50 community shareholders and in particular:

- Low Carbon Oxford North
- Sustainable Wantage and
- West Oxford Community Renewables

Summary View

Our summary view is that it is vitally important for the Government to fund an independent, impartial and trusted source of information on consumer-led flexibility (CLF). CLF is needed for the transition to clean energy to work but the concept of energy flexibility is new and most consumers do not understand what it is and how they can fairly benefit from it. Confidence needs to be built quickly and maintained for the long-term.

We agree that the best approach is to identify an existed and trusted source of energy communication and advice to lead on this for Government, and there are a number of existing candidates for the including EST and Citizen's Advice, amongst others.

We agree that the Government should not attempt to fund a nationwide, single advice service because there are many intermediaries already in place that would be able to make very good use of such a central source of impartial and independent information. Any resource should be designed, however, with the existence of intermediaries in mind.

Intermediaries include the regional and local not-for-profit sector, regional and local arms of national charities such as Citizen's Advice, and also a growing number of community energy businesses that are increasingly generating a profit from energy trading activity from renewable energy assets. This profit must legally be spent on benefiting the local community. The Low Carbon Hub IPS Ltd (LCH) is a good example of this type of intermediary. We currently own around 25MW of renewable energy assets generating a community benefit profit approaching a million pounds per year for the whole period between now and 2050, and indeed beyond. The whole thrust of the strategy we published in the Autumn of 2024 was about growing our portfolio of renewable assets, and therefore the community benefit profit, to help communities, households and SMEs both understand the energy transition and take action to provide, and benefit from, consumer-led flexibility. Finally, community energy business such as ours are very good at leveraging their own funds; our own record shows that for every £1.00 of community benefit we produce, we achieve £13.00 of leverage.

From our experience in running Smart and Fair Neighbourhood trials as part of Project LEO, we strongly agree that the combination of industry-facing coordination and standards with consumer-facing advice and communications is required. We think that high-level intervention is needed in each of these areas, at least at first. These combine into the table we show below as a summary of what should be offered.



Industry Facing

Consumer Facing

Coordination	Standards	Advice	Communication
<i>High intervention</i> Information provision via website. The designated organisation is embedded in the market and regularly engages industry parties. They actively coordinate industry parties via a regular (e.g. quarterly) industry forum to discuss and coordinate issues directly related to consumer engagement.	<i>High intervention</i> Information provision via website. The designated organisation notifies HMG and Ofgem of any gaps in the Standards landscape for CLF that become apparent on an ad hoc basis, and highlights gaps relevant to consumer engagement at the regular (e.g. quarterly) industry forum, with an expectation that the designated organisation will support relevant stakeholders to bring forward appropriate solutions.	<i>High intervention</i> The designated organisation is a neutral, trusted source of advice on types of offerings and how to access. It addresses consumer FAQs, and provides tailored recommendations of appropriate CLF products and services for that consumer's needs (agnostic of provider). It also signposts routes to access redress. It does not provide financial or legal advice. Support is offered via multiple channels including phone-based support. May involve partnerships with relevant consumer bodies & charities. Multi-channel mechanism: website, and full customer service and support line offering individual customer journey advice.	<i>High intervention</i> The designated organisation has a dedicated communications and engagement function. It conducts market and consumer research to both increase awareness and maximise uptake. The communications may be segmented to target different consumer types and are compatible with wider government-linked campaigns. The designated organisation conducts its own market and consumer research - utilising behavioural science - to develop communications content, whilst also tracking and monitoring the effectiveness of communications.

On timing, we think this resource is needed as quickly as possible, and so a timetable where the response to this consultation is published in early 2026 and then there is another detailed consultation to follow is too slow.

Consultation Questions

1. Do you agree that government should be exploring how to achieve a more joined-up and holistic approach to consumer engagement on CLF? Please provide supporting commentary.

Yes, we think it is very important that the Government puts in place a clear set of definition of terms around consumer-led flex. The concept is very little understood by the general public, whether businesses or householders, and new products and services are hitting the market where consumers are being asked to make sophisticated choices that could have a marked impact on their lives or their business.

2. The following functions are presented as desirable for an effective consumer engagement framework to have in scope. Do you agree that some or all of these functions should feature in such a framework? Please provide supporting commentary.
 - a. Coordination
 - b. Standards
 - c. Advice
 - d. Communications

Yes, we agree that both industry-facing and consumer-facing functions are necessary and broadly agree with the four categories outlined. We think the combination of standards for industry and advice for consumers are a particularly important combination. The Microgeneration Certification



Scheme for renewables when the Feed-in Tariff started in 2010 was a very important way of giving confidence to consumers and holding installers to account.

3. Would you propose additional or alternative functions? If so, please state your reasoning.

We would not propose any additional functions.

4. Would you propose a particular combination of functions and degrees of intervention for those functions. Please provide supporting commentary.

No, we think the high-level of intervention is needed across all four functions.

5. To what extent do you believe that the functions presented at Q2, and any other functions as per Q3, can be provided via current arrangements? Please state your reasoning.

No, we think arrangements specific to consumer-led flexibility are required because the concept is so new, the landscape is already complex and so consumers need specific and targeted help in order to have understanding of, and confidence in, the new markets.

There is little mention in the consultation of disadvantaged consumers, both householders and small businesses. Given that the Government will need to make interventions into the market to help this type of consumer, we think that there should be specific provision in these arrangements for these segments.

6. How important is a role for coordination of industry for consumer engagement in CLF? Please state your views as to how such coordination could be best achieved.

We think it is very important for a new 'flexibility services industry' to be seen as a new sector of the market, and for actors in that market to understand that their activities need some coordination in order to maintain consumer confidence for the long term.

7. What would be an appropriate approach for a framework to ensure appropriate standards on consumer engagement for CLF are in place? (Note that 'standards' here covers a range of mechanisms, eg regulation, licencing, and codes of practice.)

We think this is a particularly important area for liaison between the industry and government. In a new area, it is not possible to foresee with certainty all the problems and opportunities that may arise.

8. A. To what extent should the Advice function focus on being a trusted, neutral source of information to engage consumers on CLF? B. To what extent should it go to in providing support to individual consumers as a service?

A. We think it is vitally important that the advice function should focus on being a trusted and neutral source of information.

B. We think the best way of providing advice directly to consumers is via partnership with key intermediaries.

9. A. To what extent should the framework focus on proactive, targeted communication activity directly to consumers on CLF, to supplement the approach to Advice, which should be available 'on demand'? B. To what extent should the framework focus on national or more targeted communications. If the latter, what consumer segments should be targeted and why?

A. Flex is new, and consumers need help to understand what it is and why it is important. This, and standards for industry, should be the overriding focus of the engagement framework because it will be so important to build and maintain trust.



- B. The framework should focus on the national level and be designed with regional/local intermediaries in mind.
- 10. A. What considerations should there be for assessing the cost of establishing and running a framework? B. Do you have views on potential funding mechanisms that may be considered for such a framework?**
- A. We have no experience of these questions. We would expect that existing organisations such as EST and Citizen's Advice would have much better information to offer.
- B. The mechanism should be progressive, and so taxation is much preferable to an additional cost on energy bills.
- 11. A. Do you agree that core governance arrangements should include an expectation that the framework operates broadly in line with government objectives for CLF? B. To what extent (very involved, somewhat involved, not involved) should government be in ongoing monitoring and stewardship of the consumer engagement framework?**
- A. We strongly agree with this and would go further than 'expectation' to 'requirement' whatever the source of funds is for putting it in place.
- B. We think it is vitally important that the Government does, and is seen to, take a strong leadership role in putting in place an approach to flexibility that is understood by consumers to be both safe and of benefit to everyone. For this reason, our preference is for Government to be very involved in ongoing monitoring and stewardship of the framework.
- 12. A. Do you agree with an aim to establish a framework before the end of 2028? B. If you do not agree, please indicate your preferred timeframe, including rationale for how this would be achieved?**
- A. We strongly agree and would encourage Government to move faster than that given the growth in the market that already exists.
- B. Our preferred timeframe would be to move more quickly with the consultation and tendering process, so that the framework could start to be built from the end of 2026.
- 13. Considering different consumer groups across the range of domestic and non-domestic consumers, does there need to be a different approach considered for some or all of these? Please explain for which consumer groups and why?**

We think it is very important that the framework is inclusive and so carefully targeted at all segments, in particular disadvantaged consumers. The Centre for Sustainable Energy (CSE) Smart and Fair programme has done a lot of work on these issues; we hope CSE is using this work to put a response into this consultation.

- 14. Please provide any additional feedback here.**