

## Advisory Board meeting

20 August 2018

### Notes

We held an Advisory Board meeting on 20 August 2018. This was the first meeting at which the newly elected Customer Representative, Jakki Phillips was present. It was exciting to have the customer voice in the room in this very concrete way, and Jakki did a great job at representing those who have funded People's Energy and all customers.

Other attendees were Peter Lederer (Chair), David Howe (technology specialist), Nicola Megaw (legal specialist), Jaume Ferras Santin (marketing specialist) and David Pike, Karin Sode and Duncan French from People's Energy.

### TOPICS DISCUSSED

#### Welcome, introductions and defining the Customer Representative role

Warm welcome and introduction to Jackki, elected customer representative. The Advisory Board discussed the role Jakki can play in 'keeping us right'. Jakki has been given a People's Energy e-mail [Jakki.Phillips@peoplesenergy.co.uk](mailto:Jakki.Phillips@peoplesenergy.co.uk) which other customers can use to highlight issues and ideas they would like raised with the Advisory Board. In addition, she will get involved in customer focus groups and get support from the Marketing team to help her reach out to customers. It was agreed that she will not be able to champion individual customer account issues, her role is to focus on generic issues that affect all or a larger group of customers. Individual account issues will be handled by the team at People's Energy [CustomerService@peoplesenergy.co.uk](mailto:CustomerService@peoplesenergy.co.uk)

#### Overview from the Directors

##### *Where are we now?*

- People's Energy is now 1-year old
- We had good customer growth in June/July
- We are making good headway with our brand awareness, which over time will drive greater customer acquisition
- Jakki has been elected as customer representative to fulfill our promise of increased transparency, and to help us always keep focused on our customers.
- In addition, to increase transparency we have published our current salary ratio and cap; in time we will post our accounts and we have put up blog posts on what affects the tariffs
- Certificates have purchased to offset electricity – our 100% renewable obligation has been met.

##### *Company performance*

- We have had a customer growth of 175% in May-July, but some temporary reduction post a price increase on 1 Aug. As of time of writing this note, the growth has increased again, above May-July levels.
- The price increase was necessary to ensure we can begin to generate a small profit; with wholesale energy prices increasing dramatically this year our pre-August prices were no longer sustainable. However, we have increased the price less than most of the competition, and already a few weeks after the increase the People's Tariff is beginning to move up to become among the cheapest when compared to the competition.

[What makes up the price of energy? \[Part I – Gas\]](#)

[What makes up the price of energy? \[Part II – Electricity\]](#)

- The customer growth, combined with the price increase, sets us up for a stable Winter period, where customer usage is higher than the direct debits paid. Careful financial modelling is in place, to help us know well in advance when a price increase is needed for sustainability. This, combined with our hedging strategy and partnership with a large wholesaler, means that we are secure for the winter months, as we have agreed the purchasing price for the energy needed for our customers right into Q2 of 2019. Our appointed accountants, Johnston Carmichael, are currently working through our accounts, to be able to post our financial accounts by end of October 2018

### ***Building the crowd***

- As at 15 August 2018 we have >13,000 customers on or coming on supply (prior to launch of STV advertisements which will run latter part of August).
- Brand awareness has increased significantly, based on a campaign run in July, focusing on YouTube (293K views). In addition, we have had Billboard Adverts across UK larger towns, which has led to 34m impressions. We have had 166K impressions on social media during the last 28 days (mid-July to mid-August).

### **Other themes discussed**

#### ***Becoming more visible as influencers and commentators on energy/environment/consumer/social justice related issues***

- The Co-founders expressed a desire to get more involved in shaping thinking, debate and policy around these issues, but this will require further hires to help free them up from as many day-to-day operational issues. This was agreed to be a priority.
- The Advisory Board and David Howe in particular, encouraged, the founders to be vocal about issues and not to be afraid to be seen as political (although not aligned with a specific political party) in our voicing of concern around key issues.

#### ***Innovation and renewable focus***

- The Directors posed the question to the Advisory Board: 'How can we help to truly alter the market, disrupting the current way of getting energy to customers in a way that is customer and planet centric?'
- At the next meeting, Graeme Dickson, former Director General of the Scottish Government (responsible for Enterprise, Environment and Innovation), will present on innovation in the energy market, focusing specifically on the concept of 'heat'.
- Whilst we are still in the phase of 'operational stabilisation and growth', the Directors will begin to explore innovation options to help us make sure we can
  - continue to provide an affordable tariff in a market where wholesale prices are on the sharp increase
  - be at the forefront of renewable solutions
  - take a lead on combating social injustices (that are energy/heat related)

### **Priorities for the coming few months**

- Continued customer acquisition and brand building
- We are working on becoming best in class for customer service with the aim of being #1 in Which?
- To become more visible as commentators on consumer, social and environmental issues related to the energy industry

**Next meeting is scheduled for Tuesday 30 October 2018**