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Gordon Lindhurst MSP
Convener
Economy, Energy and Fair Work Committee
Scottish Parliament
Holyrood
Edinburgh
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13 February 2020

Dear Convener,

Thank you for your letter of 28 January regarding the public energy company and lessons learned from Our Power.

In response to your letter of 14 December on the Annual Energy Statement I provided a brief update to highlight that I would write specifically to the Committee on the development of the public energy company ambition, once I have been able to discuss and agree next steps with interested local authorities.

Specifically you have asked about lessons learned from the administration of Our Power. You will be aware that Our Power was an independent limited company. Decisions about the management of the business were the responsibility of the Board of Directors.

While we continue to develop proposals that will deliver the ambition of a public energy company, the administration of Our Power has highlighted some of the challenges to achieving commercial sustainability. Lessons have been learned from this, and the failure of a number of energy companies last winter have also been studied. We are aware of numerous causes for those energy company failures and will closely consider the development and deployment of new Ofgem proposals, designed to ensure suppliers are financially robust.

There are also lessons to be learned that may help strengthen our programmes to tackle fuel poverty. Our Power aimed to deliver green energy to fuel poor households at a competitive price, especially for those on pre-payment meters and, as such, Scottish Government interest was through the Communities and Local Government portfolio.

For over three years Our Power provided low-cost energy to tens of thousands of social tenants. The company also showed that there are opportunities to deliver a better service to households across Scotland, something which our plans for a public energy company will build on.

I welcome the Committee's continued interest in our public energy company proposals and intend to keep the Committee informed as the development of the energy company and discussions with interested local authorities continue.

Kind regards



PAUL WHEELHOUSE