



Dear Member

10/21

Over the past few weeks, UNISON has been in active talks with a series of key stakeholders on the developing energy crisis with several suppliers going bust and large price increase. These stakeholders have included key energy employers, politicians, and the energy regulator Ofgem.

UNISON has repeatedly been very clear, that this is a crisis that has been coming for several years and has already resulted in the loss of thousands of good jobs among the energy suppliers who employ UNISON members such as EON, British Gas, EDF, SSE/OVO and Scottish Power. The loss of these jobs was caused largely by the huge instability that resulted from the large number of new entrants in the energy retail market.

These new entrants did not have a magic wand, they simply sold energy at a loss which attracted customers because they could offer the best prices available. They also failed to hedge their energy purchases into the future, gambling that prices would not shift significantly, this despite making promises to customers to supply energy at fixed prices. This left them exposed with promises to supply at energy prices they could no longer purchase it at. They also paid out dividends to investors when not making any profit and often failed to pay over money taken from customers for social obligations. These were not the practices at EON and as a result EON lost market share.

For years, very few energy retailers have made any tangible profit, investment has therefore not been focused in the right areas, planning has been impacted by short termism and skilled workers have been lost at the very time when we should be increasing employment in preparation for the need to decarbonise UK homes. It is a sorry tale.

UNISON has made several key requests and we will continue to do so. UK homes need massive levels of investment in energy efficiency which will reduce energy demand and help people avoid increases in bills and reduce fuel poverty. This must be done without upfront costs to the consumer. We also want to see greater government intervention to regulate the energy supply market and prevent further repeats of what we have witnessed. This should include the provision of a default Government supplier as happens in many countries already.

We firmly believe the Government should intervene now to support customers during these large price increases otherwise, we will see genuine hardships this winter, higher levels of default and increased fuel poverty. This is unacceptable.

UNISON will continue to speak out against the 'free for all' energy marketplace that has cost our union members jobs and seen reward levels impacted. It is no way for an energy system to run and it is certainly not in our members best interests or ultimately that of consumers.

Thankyou – Your UNISON team at EON

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