**‘Inside Octopus News Special’ Transcript: The Energy Crisis**

Thanks for listening to Inside Octopus, where in this episode we're going to be addressing the current crisis in the Energy market. Here, in the UK the energy regulator OFGEM recently announced that the new energy price cap which determines the maximum price energy suppliers can charge a customer on a variable tariff, is set to rise from 1st April this year. And of course, this is a major concern to customers of ours and other energy suppliers, with the bills they pay increasing by 54% compared to the same time last year; which will add a further £58 a month for most homes.

My name is Russell Goldsmith and I'm thrilled to welcome back to the podcast Octopus Energy’s Founder and CEO Craig Jackson to discuss these issues. Greg, you’ve appeared on several TV news channels recently discussing this crisis. Obviously, on this podcast, we're not restricted to just a few minutes so hopefully we can go into a lot more detail on exactly what's going on. But also look at what the government and energy companies are doing to cushion the impact on customers, and what needs to be done to make sure a crisis like this doesn't happen again.

So first of all, can you just explain why energy prices are increasing at such an alarming rate?

Greg: Thanks Russell, I'm glad to have this opportunity to spend longer talking about it because the risers are not small, and they're not avoidable. They're caused by three major factors. The first one is the same supply chain issues that have affected so many industries and the bounce back from pandemic lockdowns. The second one is that there were long, late cold winters in Asia and Europe last year, which meant that just as the world would normally be filling up its gas storage we were still depleting it. The third thing is the geopolitical standoff over Russia and Ukraine. I think together, these are causing extreme spikes in gas prices. So far, energy companies have been able to absorb much of the impact particularly in the UK with the price cap but we can only do that for so long and they are now going to be floating through to customers’ bills. And I think Octopus really wants to be able to talk to customers about this; we’ve emailed 3 million customers. We've spoken a lot to the press and maybe this option to talk a bit more in depth as well.

Russell: Just out of interest, how much has the price increased the cost of suppliers since last year,

Greg: It's very volatile, but at the moment it’s more than three times higher than a year ago. Now imagine if that was bread or milk. If supermarkets were paid three times more than they were a year ago everybody would notice, but because energy prices are much more opaque, it's taken a while for the effect to be fully understood by people. At one point by the way, Russell, it was seven times higher than a year ago. So it's really volatile and dramatically higher than normal inflation.

Russell: I mentioned in the intro that the energy price cap will see bills increase about 700 pounds a year on average. So that's gonna be a huge financial burden for customers. The government's response has been to introduce a flat rate £200 energy bill loan to each household. But obviously that is a loan so it's going to need to be paid back on their future bills over the next five years. What do you think of this scheme?

Greg: We speak to 30,000 customers a day. I think we're incredibly aware of the impact of price rises on people. We've absorbed an enormous amount of this, but we can only do so much. We've been speaking to the Government since August, and to other energy companies to identify ways that we can work together to reduce the impact of these colossal global gas prices. The scheme that the government has introduced is very similar to ones we have proposed so we’re really supportive of it. There's a couple of things - I think first of all, we’d rather it was more than 200 pounds. I'm not going to quibble but maybe we could spread it over a bit longer to make up for the higher amount. And I think that £150 pound rebate in council tax is welcome, but obviously we'd prefer them to be on energy bills as a quick way to give targeted help to people. I really hope that makes a difference but we are under no illusion that the scale of rises even after our help is going to be really difficult for a lot of people.

Russell: There was an interesting conversation Martin Lewis had with Chancellor Rishi Sunak, and I just wanted to put the same questions to you that Martin Lewis asked the Chancellor. Because he said this £200 loan, potentially could make the situation worse for some people. And a couple of scenarios, but if you can imagine that you're a young adult living at home now, so your parents benefit from that £200 loan. But if you then move out next year, you're going to have that £40 repayment added to your energy bill without having benefited from that loan credit. And then it's the same potentially with house shares, as the household shares the £200 loan but then when you move out again, you will individually have to pay back £40 pounds a year. How's that going to work?

Greg: We shouldn’t be thinking of this as a loan to households. I think that’s a real confusion for people. Let's be really clear, this isn't a loan that's going to go to individual name consumers and then expect them to repay it. There's no interest to be paid. There's no chance of anybody falling into that. The reality is the way our energy bills work is that there is an enormous number of credits and levies on bills that go on in the background, at all times. For example, there are levies on all of our bills to pay for new nuclear power stations, or to pay for green gas or to pay for historical investments and renewables. There's also levies to pay for things like the eco scheme that helps low income households with energy saving measures. All of this goes on in our bills, anyway. This is a new item and what's happening here is the government's actually handing the money to households during a time of extreme stress. And then he's gonna be recouping for a relatively small number of years and at a relatively modest amount. So this isn't a loan that anybody is going to be forced to take or forced to repay. It's just a component in our energy bills where this year is going to make the bills go down, compared to where they would have been by 200 pounds. And then for the next five years, it’ll maybe go up by £40. It's interest free, so we as energy payers, customers, consumers are not going to be paying interest on any loan and no one's going to be tracking who's got it, who hasn't or who’s paying it. It just goes on every bill over time, like so many other parts of our bills.

I think the other bit is that question, for example, someone who is not an energy bill payer today is not going to get that 200 quid, but may become on at some point in the future and pay the £40’s. I guess those time effects happen on everything. So for example, the people paying the nuclear levies today that won't be around. Maybe they'll move out of the country or for whatever reason will no longer be an energy bill payer when the nuclear comes on stream. So pay for it but they never get the benefit. There are people I guess who pay for Education or the health service through the taxes, but then don’t use those services. As a society there are things that we all pay for. And in the round we all benefit from, even if we can always find a case study of someone who was paid for not receiving or the other way around.

Russell: Do you think that the loan could come in a little bit sooner? Apparently, it's not coming into October, but obviously we've got the price cap that is introduced in April. So could it not be better with the timing on that?

Greg: I think the big challenge is winter bills as energy consumption goes down a lot in the summer. And so October is a sensible time to be paying people to help them over the winter as that's when most of these kinds of issues occur. I think the other thing is, candidly, I'm told that one of the reasons is that there are still some energy companies whose systems are so inflexible that they've said they wouldn't be able to credit bills till October or take months to do it. I should say by the way that obviously a company with modern systems, Octopus as an example. If we could get the money from the government next week, we could distribute it next week. By the way, it's not to say that's what we're proposing. The whole point is, I think all companies have to be paying it roughly at the same time to avoid risks like some people getting it twice, or some people not getting it at all.

Russell: What alternative measures would you like to see implemented?

Greg: Frankly, I think the governor's proposal is so similar to what we suggested that I wouldn’t propose any alternatives. There are a couple of changes we might make, so I guess we prefer to see a slightly higher amount given the magnitude of the bills. And perhaps the targeted amount paid directly through energy bills rather than through council tax. But I think you know, these are minor changes. Some people proposed removing VAT or removing green levies and I think the problem with that is that it would just put the burden on taxes. At the end of the day, tax payers and bill payers are often the same people. And so hanging from a different pocket doesn't actually smooth it out. Whereas the way we do it, it's a one in 30 year event so you shouldn't have to pay for it in a single year. Spreading it over time to make it more manageable was a good idea.

Russell: What about the longer term view then. What do you want to see happen so that we don't end up in this situation again?

Greg: First of all, the energy price cap bought us time to come up with a solution to help smooth this global price rise for UK consumers. And that's really welcome. Similarly, I think the smoothing is buying us time to implement long term solutions. We don't want to be here again. And the reality is generating electricity from wind and from solar is cheaper than generating from gas, even before this crisis. It's now dramatically cheaper. So we should be going hell for leather investing in renewables, and every single wind turbine reduces our demand for gas and will make our bills cheaper. Somebody will say, what about when the wind doesn't blow or the Sun doesn't shine. Now that's times that we should use gas to fill the gaps until maybe batteries are cheaper. Or we've got alternative forms of storage or ways of shifting energy demands. But we should be seeing gas as a gap filler for when it's not windy and not sunny, rather than as our main source of energy. And then we need to be moving our heating and transport away from fossil fuels and towards electricity so that we can use more of those super cheap renewables to power our lives. And then gas becomes increasingly the backup for when we don't have renewables.

Over time, the cost of batteries will come down more, and we'll find things like more interconnection between countries so electricity can be balanced in terms of load and the demand. So we can increasingly take all of our electricity from renewables to meet the vast majority of our energy needs. The thing is, as we build more renewables, everything gets cheaper. So for example, Octopus has created all kinds of technologies to help move demand around. So, with electric cars, they hold enough electricity to power a house for a week. So the more electric cars we get, the dramatically easier it gets to absorb wind and solar electricity when they're abundant, and reduce the amount we draw when they're not. Similarly, electric heating. You know the peak time for electricity in the UK is between 4 and 7pm when both homes and businesses are operating, and so it's very easy with an electric heating system to make it slightly over heat your home. If you take it to where it's 21.5/22 degrees by 4pm. And then let it coast down to like 20.5 or 20 degrees by 7pm. You wouldn't typically notice the difference, but it will dramatically reduce the load at peak times. So as we electrify society, this intelligence being built into our heating and transport systems doesn't affect our quality of life. And it dramatically reduces our cost of energy as we go renewable.

Russell: Several energy experts have blamed government deregulation policies for the recent market failures, with many calling for re-nationalisation of energy. Do you think a crisis like this suggests competition in energy is a risk to the end consumer because they're the ones that end up having to foot the bill when the gambling of energy companies backfires?

Greg: Competition has been a good thing over time in energy. What we've seen is that competition from efficient companies has pushed costs down. Not only for those companies but for everyone by maybe a couple of billion pounds a year. The cost of the failed companies is about a couple of billion pounds on energy bills, it can only be as much as four. So it's a real problem and we should look at regulatory measures to reduce that - I’ll talk more about that in a second. But overall the benefits of competition far outweigh the costs. In terms of those costs, they come about because when a company fails regulation protects customers' credit balances, and that is a sort of a social insurance policy, that they were all having to pay out on that. We could dramatically reduce that by having more effective regulation on energy company finances, by basically running the same sorts of stress tests you might expect with banks who have a similar sort of social insurance policy.

So I think the key here is let's double down on competition because it's generated fantastic savings and dramatic improvements and service. As well as real customer choices with companies bringing new products and services. This is particularly important as we go into a renewable world with electric vehicles and clean electric heating. But at the same time, let’s ensure that the stress tests on companies are properly carried down to make sure that they're cheap because they are efficient, not because they’re gambling.

You asked about nationalisation as well, Russell. As people have pointed out, energy companies have collectively been losing money for quite some time now. So if you nationalised, it would just mean the taxpayers pick up the bill. I think the reality is that energy is an incredibly operationally demanding industry. And you run with wafer thin margins and it requires real expertise, things like customer service, and how you handle very large operations efficiently. Especially, as we’re going to Net zero where you really need to look at the ability to provide very different products and services to customers to make the most of green energy, and ensure it's abundant.

All of those are things which are typically better in a private enterprise than a nationalised one. And in fact, I think one of the problems is that too much of the energy industry is monopolies. So when you look at the distribution networks, the national grid, those parts of the energy industry are monopolies that are regulated, essentially as though they were nationalised industries. And it's interesting that those are parts of the energy industry that are profitable, and where costs are often going up not down. Meanwhile, in retail, and in generation, which are hugely competitive, you're seeing costs coming down.

Russell: On that previous point about generating our own electricity, is there the concern that if we do that, it's just going to get exported?

Greg: One interesting thing about electricity is means connectors that connect us to other countries and largely it’s to reduce our costs. Because other countries have different generation and different consumption than we do. So we tend to balance, what that means is at times when the UK is peak demand we will often take some electricity in through the interconnectors and at times of peak generation here, we're able to sell the electricity abroad. But we are balancing rather than what happens with gas where you end up with massive shortages or massive surpluses driving the volatility, causing the high prices we've seen recently for not just a few hours, but for months on end.

Russell: So besides building more renewable energy, is there anything else that needs to change?

Greg: I think we need a complete reform of the energy wholesale market and how it works. It's kind of crazy that we can generate renewable electricity from maybe 5 pence per kWh but that we end up paying 15 or 20 for wholesale prices, because the price is set by the most expensive unit which is gas. And so increasingly I think we need to find ways to disentangle the cost of renewable energy and the wholesale market from the cost of gas. And then I think we also need to dramatically overhaul how these companies pay for access to the energy system. So the grid and distribution networks, which typically maybe part empty and they've got this enormous amount of spare capacity. And at the same time, we're planning to spend 10s of billions on new infrastructure, and we really need to get the most out of what we've already got before we do that. And we should start being honest about the future of gas. It's vanishingly unlikely that we're going to end up moving gas boilers and gas hops to hydrogen, it’s just too expensive. So we could start saving a lot of money by beginning to wind down our gas network rather than wasting a lot of money by looking at extremely unlikely experiments to blend hydrogen into the mix or move to hydrogen. So I think, you know, if we stand right back there's so much money to be saved in the energy system, and so many better ways of using it, that could benefit households. The quicker we start doing that, the quicker we start saving.

Russell: Just ahead of this conversation, Greg, I was reading an interesting article. It was actually in the Mail online by Ross Clark, and he questioned why the UK is paying billions to import gas when we actually have ample gas, oil and coal reserves here. I'm keen to get your view on that because how much of this crisis has been caused by our move to Netzero? And also, should we be exploiting those UK gas reserves?

Greg: Yeah, we should look at this business question separately. So first of all, the UK has gas reserves. The main reason we haven't been getting that out of the ground is that UK gas is more expensive to extract than some other places. So when world gas prices are lower, it makes sense that it's parts of the world that are supplying global demand. I think when it comes to this crisis, the UK could certainly be taking more gas out of the ground, but it would almost certainly be selling on the global market to enjoy these massive global prices. It wouldn't be anywhere near enough in volume to bring prices down. So I think the first thing is, the UK’s production of gas wouldn't be enough to impact global prices. And if we were producing more gas, we'd be selling on the global market. So that the companies that were extracting it and exporting it were seeing those very high prices.

When it comes to the move to NetZero right now, I think it's totally separate. The reality is this is a fossil fuel crisis and if we invest more in NetZero, the data shows we would be saving billions right now. So back about a decade ago when people started paying the green taxes, those cuts mean that we're now overpaying for our energy by billions of pounds. We should learn from that and invest massively in renewables. Also, remember that the renewables that are built today are dramatically cheaper than they were a decade ago. There is no cheaper way of making electricity than renewable generation.

Russell: Well, you emphasise the fact that it's a fossil fuel crisis. So why are our customers having to pay more for green energy as well?

Greg: When green generators or solar generation it's usually on contracts, long term contracts that tie the price of that electricity to the market price. And the market price of electricity is set by National Grid, when they're buying energy for the system. So what happens is National Grid has to generate as much electricity every half hour, in fact at any moment in time. People use it, and to do that they are running a real time auction from power generators. Each generator submits its best price and National Grid chooses the cheapest collection that will meet our needs at any given time. At the moment, they typically, because of our reliance on gas, the price of the last unit of National Grid bond is set by the price of gas generators, and that's the price that's paid to all electricity generators. The reason for that is that otherwise generators wouldn't put their best price; they'd all be putting in a much higher price.

So that is the system that the UK uses today, I don't necessarily think that is very sensible. I think as part of coming out of this crisis,we need to invest dramatically more in renewable generation. But we need to find new ways to set up the energy wholesale market so we're not all paying a price set by the most expensive unit, all the time. Which by the way, is determined by fossil fuels.

The other way people can think about this is that the way that contracts work in Electricity Generation, is that the generators have got these long-term contracts where they set their price equal to the market. And that's a bit like when you sell your house, where usually you set the price according to the price of neighbouring houses,not according to what it cost to build. When people wonder, the price of wind itself hasn’t gone up, why is the price of electricity generation so high? It’s because the generators are essentially selling the same as the method in which a house is sold.

Russell: Just coming back to a couple of points you mentioned previously, about some of the issues that have affected this from a global perspective. And I just wanted to touch on one that we haven’t mentioned which is China shutting down it's a coal fired plants. What impact would you say that has had?

Greg: I've heard a couple of people say that China closing down it’s coal plants as part of its move to NetZero is increasing the demand for gas, and that in turn is creating this price hike globally. But the reality is while China is investing colossally in lower carbon generation, in fact it has just overtaken the UK as the world’s leading, offshore wind generator. I want to say also, technically, it’s gone from being the UK as the world’s biggest to China becoming twice as big as the UK in one year in offshore wind generation. So, that’s how quickly China is moving to Renewables. But actually, it's increased its coal generation in response to the crisis, and it's not really set to phase out for another half decade or so. So, the reality here is that prices are not being pushed up by China’s move to NetZero and China's move is set to make the rest of the world's investments in things like offshore wind look unambitious, actually.

Russell: So taking everything that we have discussed into account, Greg, how long do you think we will see these high prices?

Greg: First of all, no one know how long a commodity price spike lasts, and anyone who says they do is probably wrong. But I think it’s fair to say that at least two of the three major causes; the post pandemic supply chain issues, and the long, late cold winters last year are temporary events and if the weather normalises and supply chains fix themselves one would expect those impacts to reduce or go away.

So we can say some of the causes are short term. But no one knows how long it’ll last.

Russell: Are we expecting to see Octopus raise its prices?

Greg: I think first of all that Octopus; job has always been to do everything we can to make energy prices lower, not higher. For example, that's why we've spent so long working hard with the government and with a range of companies to come up with mechanisms like the ones we talked about. Right now we’re processing OFGEM’s and government announcements to work out what we're going to do. I think customers should sit tight and we will announce any plans that we've got with plenty of time.

Russell: On that note is it worth explaining how the variable prices differ from the fixed price contracts

Greg: When someone takes a fixed price contract with Octopus, essentially what's happening is our team will then go to the energy market and we will buy one year of energy for that customer. If they get a 2 year contract, we will buy 2 years of energy for that customer. And so at that point, we bought all the energy we expect them to use for next year or next two years and that's locked in the price.

Now if the market price falls the next day, then we can't go back and rebuy the energy at the lower price because we'd already bought the energy. Similarly, if the market price rises, we’re sitting on energy that we bought for less than the market price. But that's why you get these fixed price contracts.

Where people want a variable tariff and at the moment in the UK, the price cap works on a six month basis. So that means every six months, the price can be varied. So what we do is in the beginning of every price cap period, we go out and we buy six months worth of energy for all the customers on our variable price products. And that locks in their price for the next six months. Of course sometimes there are leavers or joiners or people moving from one tariff to another so we have to deal with all those things as well.

The other bit I’d add is that OFGEM is looking at moving the price cap to a quarterly basis, in which case when we go out to buy energy for variable priced products we'll be buying in three month blocks.

Russell: One other thing I wanted to ask though, is why are you now introducing some fixed tariffs with exit fees?

So we've always hated exit fees. When you go to Tesco and buy baked beans, they don't force you to sign a contract for the next year. But I think with such a volatile energy market, if somebody's locked in a fixed price for example for a year or two, three years, and we are going to go out and buy all that energy for that period of time, in such a volatile market. If customers then leave us we're going to be kind of stuck holding that energy that we bought for them and it's going to potentially cost us a lot in energy that no longer gets used. So we need to say to customers, look, we are willing to go and buy a lot of energy in advance for you, but we need you to commit to either using it. Or if you're not going to use it, pay something towards the loss as well if you leave us in the interim. It's not something I want to do and as soon as the market is less volatile we'd hope to eliminate it again. It's just to make sure that during this period of volatility, we're showing the customers both the benefit and the risk of the fixed product.

Russell: And what is Octopus doing to help people reduce their energy bills?

Greg: I think the UK has got a very poor record on Energy efficiency. It’s a lot better than it used to be, but there is a great opportunity to improve it. This winter Octopus ran a campaign where we gave people a chance to be part of Winter Workout, a sort of personal trainer for energy bills where we look at people's historical usage and look at the weather and use that to set targets. Over a quarter of a million people took part, and on average, saved 12% on their energy bill, which is really helpful. I'm not saying that everybody can benefit in those ways, but at times of high prices it is a reminder for us to focus on things we can do to improve our energy efficiency.

By the way Russell, one of biggest things that people are trying to do is think about gas boilers. Many people have gas boilers which are set to work at very high temperatures, maybe 70 degrees Celsius, and given that you only want your 21 degrees or 20 degrees, you don't need such high heat flowing through your system. You can typically turn your gas boiler down to 50 or 55 degrees if it’s a combi, or 60 degrees or just over if it's a system boiler. Your rooms will be just as warm but they will be so dramatically more efficiently. And so things like that, that help people save money but without sacrificing any comforts will have been a revelation to some people. So, I dare say that is the Holy Grail.

But as we look at every way we can to get through these high price times, Energy efficiency has got to be a focus not just for consumers. Governments, councils, landlords and companies should all be looking to see what can we do to reduce energy consumption without dumping on our quality of life.

Last bit from me,it’s kind of crazy, isn't it? Until wake up moments like this. We've been using gas to make up for the fact that we got leaky homes. We are better off not having leaky homes.

Russell: More than 25 companies have gone bust since the beginning of this crisis from September 2021 and many have blamed the price cap. What do you make this, is the price cap the reason why so many companies didn't survive?

Greg: Firstly, thank gooness for the price cap. Without it, people would have seen dramatically higher bills already. In fact, at times they have been two times higher than they're going to be this April. The price cap has really dampened the impact of these global spikes. In terms of the impact on companies, well run companies could hedge buy their energy and advance according to their price cap methodology, and be largely able to weather the storm. There's a couple of things you can't hedge for but if you had a decent balance sheet, you can see your way through it.

So I think what's really happened is the price cap has protected consumers and it's revealed the extent to which some companies were not being as prudently run as they should be in a market like this.

Russell: There are some industry representatives that have said that at the end of the crisis, only a handful of energy retailers will survive. Is this what's going to happen? I mean, is this crisis going to bring us back to the old times of the Big Six?

Greg: First of all, we don't need 70 companies or whatever the competition. In fact there's only about half a dozen big supermarket chains. And they compete ferociously for operational efficiency to drive prices down for customers and to understand the customers. To bring them new products and better experiences, service or lower prices. We want an energy market like that so if we do end up with a lot fewer companies, it doesn't have to be a bad thing. What we need is to ensure that companies compete in the interest of consumers rather than we might assume, in the old days of the Big Six. Where all the companies were basically very similar to each other.

So, one thing is Octopus is still going to be here. There's going to be at least one company that is doing things differently. And I think that competitive spirit has made some of the other companies behave differently too. So I think among the existing players, you're beginning to see more differences than you used to, more of a focus on customer service and dramatically more focus on operational efficiency.

And anyway, we don't know what's going on inside all the other companies. Some of those smaller companies might actually be doing pretty well during the crisis, looking after customers. If they were prudently run they could have a strong balance sheet to emerge from this, ready to grow. And so I think anybody who's forecasting what's going to shape the market could well find themselves quite surprised.

Russell: When you say Greg, Octopus will still be here. I mean, I'm guessing this crisis has also had a negative impact on the company financially. Should we be concerned?

Greg: There's no need for anyone to be concerned. I think the question for Octopus has been, how much can we help customers through the crises? So last year through the pandemic we helped customers enormously, and we helped our staff as we didn't take any furlough. We maintained our service standards every single day and we didn’t stand people down. And when customers needed help, we gave them that. So, that meant that last year, I think our UK energy retail business lost about 87 million pounds. You can strip out a bunch of exceptional costs associated with growth of the business and it’s close to breakeven, but it's still loss making. This year we've already decided to support customers to the tune of over 100 million pounds. So again, I think we'll be loss making this year as we do everything we can to help customers through it. But from a corporate perspective Octopus is unique. We have a technology licensing business that we use to license our technology to other companies. It not only helps us keep our costs down through the efficiency here, but enables us to run with a much more resilient business model than a lot of our rivals. And in addition it allowed us to keep attracting investment, which lets us look after customers as we do today, whilst growing a business whose main focus over time is changing the energy sector to drive costs down in the long run. All whilst going renewable.

Russell: So it's great to hear that there's so many different aspects of the business, but should the focus be on dealing with this crisis and not having other distractions?

Greg: There's a couple of things. First of all, let's take heat pumps. Octopus tEnergy has been a really big advocate for bringing down the cost of heat pumps and scaling them to the mass market. And the reason for that is that a heat pump uses three or four times less energy than other forms of heating. So if we're going to reduce the cost of heating homes, suddenly it's three or four times more efficient than other forms. There's got to be a good idea. So I think this idea that what we've got to do right now is do everything we can to get through the short term, and then create the solutions to stop this happening again.

Also, by the way Russell, some people have said to me: Aren't we just paying for the fact a bunch of companies have gone bust? A small part of the upcoming price rises is the cost of those companies going bust. I think in total that cost is about 2 billion pounds depending on exactly what the government includes but the reality is that energy competition/price competition has reduced bills by one or 2 billion pounds a year for quite a few years now. So although we are now taking this hit, there are many things that can be done to reduce the risk of that happening again, and to reduce the cost if it does. A competitive energy market has definitely helped keep prices down lower than they were. The price cap has definitely helped dampen the effect of this crisis.

So I think when we're looking at all these aspects, we've got to remember that although some of them have got a short term impact now, they've really helped prevent the issue from being worse than it would have been otherwise.

Russell: Right coming to the end of the podcast. What's your final message on this issue?

Greg: First of all, we should be doing everything we can to avoid this happening again, and that means massively investing in renewables. Remember, every single wind turbine we build, will bring down the cost of energy and reduce our reliance on expensive fossil fuels. In the short term, Octopus and all the companies that have worked incredibly hard with the government to do all we can to bring support. We are absolutely aware of how difficult this is going to be. We've set up a two and a half million pound fund directly helping customers with grants and bill credits. And we've trained our team to help people apply for help with other third parties.

We also support customers to the tune of about 100 million pounds already, through price decisions to help keep prices down. We're going to do all we can. I think together, we'll get through it. But let's not let it happen again. We now need to treat the energy crisis, that's both the climate crisis and the cost crisis, with the same sense of urgency that we treat the pandemic.

In the same way that during the pandemic we've got the 15 year process of a vaccine down to a one year hearing, we can get the seven year process of a wind farm down to one year. And literally within a year we can start to see the bills being lower than they otherwise would be. So let's act with a sense of urgency during the weekend to help customers.

Russell: Great, Jackson, thanks as always for taking the time to join the podcast. Just a reminder for anyone listening who does have concerns about how this current crisis in the energy market could affect them personally. There is plenty of support and guidance available on the website and the blog as well. So just visit octopus. energy or follow us on the usual social channels for all that information. And Greg touches on renewables and investments there as well.

Just to say, in the next episode of this podcast, we are actually talking to the team behind Octopus Energy Generation. So if you want to find out more about that then make sure that you are subscribed and you'll be able to listen to that episode.

For now, from me, Russell Goldsmith

Thanks for listening and Goodbye.