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Electricity and Gas Supplies

Most organisations buy the energy they use to power, heat and cool their building, and to provide hot water from gas and / or electricity supply companies. You will either buy energy directly from an energy supplier, or, if you are based in a shared building, via your landlord who will bill you for energy supply through your service charge. More detailed advice on buying energy is available here, <http://eaclink.info/?YUMNN>.

In the UK, about two thirds of our electricity is generated from coal and one third from nuclear – both of which have significant environmental impacts. In 2005, 4.2% of the UK's energy was generated from wind, sun, water and biomass (energy crops) – clean, 'renewable' energy sources, which unlike fossil fuels such as coal and gas, will never run out.

Your organisation can use renewable energy by buying it from an energy supplier, or installing renewable energy technologies on your building or land and generating it yourself. (For more information on generating your own renewable energy see the Community Action for Energy: www.energysavingtrust.org.uk/cafe/welcome).

(Beware gas suppliers claiming green credentials. Your gas supply can never be 'green' as gas is a fossil fuel. That said, a gas company can reduce its environmental impact through operating its business in a more environmentally sound way. So, unless you are really convinced that a gas company is greener, your best bet is probably to go for the cheapest option).

Choosing a green supplier

You can choose to buy renewable electricity for your organisation as there are now more than half a dozen companies that supply renewable (also known as green) electricity to businesses in the UK. The reality is that green electricity is more expensive as it costs more to generate than 'brown' energy from fossil fuels. This extra cost is partly offset by the fact that green electricity is exempt from the Climate Change Levy (0.441p plus VAT / kWh) - a tax introduced in 2001 to encourage businesses to be more energy efficient and reduce their greenhouse gas emissions.

Bear in mind that the level of 'greenness' differs significantly between green electricity products. Both mainstream electricity companies and specialists such as Green Energy, Good Energy and Ecotricity sell green electricity. Electricity companies are required by the government to generate a minimum proportion of their electricity from renewable sources. So, unless a company generates more renewable electricity than the government requires (which few mainstream providers do), they are not contributing to increasing the generation of renewable electricity - which is badly needed to combat climate change. So, a better bet

is to buy from a specialist supplier who generates much more renewable energy than the government minimum requirement.

The other question to ask is whether you are actually buying green electricity – or investing in new green electricity generation for the future. Some suppliers provide only some of your electricity from green sources, but invest in building new green electricity generation capacity.

Some schemes do not supply green electricity or invest in new electricity generation, but offer to 'offset' the carbon emissions resulting from your electricity use by e.g. planting trees. The environmental benefits of carbon offsetting are very much open to question, so these schemes are best avoided.

There is currently no scheme to independently verify the 'greenness' of green electricity supplies, although energy regulator Ofgem is currently looking into setting one up. Energywatch (the gas and electricity support watchdog) has a useful guide to the different green energy deals on offer at:

www.energywatch.org.uk/help_and_advice/green_tariffs/tariff_types.asp

This includes a breakdown of how each supplier generates their energy (known as the fuel mix disclosure) so that you can see how much of the energy is really green.