

ecotricity

The NCC report is based upon an erroneous measure of 'greenness'¹, a measure slammed by the Ecologist², abandoned by Friends of the Earth³, and discredited by the Advertising Standards Authority⁴. The report is at odds with OFGEMs⁵ latest guidelines on green tariffs and wildly contradicts EU and UK legislation⁶ .

As such the NCC have now withdrawn the report from their website (as of 28/01/07) pending investigation into it's many inaccuracies.

This report has only served to mislead rather than inform customers and, worse in our view, they may bring the whole sector into disrepute with this colossal blundering around the green market.

People sign up to green tariffs because they want to help tackle climate change and reduce carbon emissions. The ONLY way to do this is by building new sources of renewable energy. This is exactly what we do at Ecotricity and is the crux of the matter which, for some reason, the report missed entirely. The report is riddled with errors and based on the armchair research of just one person. To be honest we are amazed at the poor quality of it. This is a consumer organisation that purports to represent consumer interest but they have not spoken to any green tariff customers!

Contrary to the NCC claims, we believe that our customers and our partners are well informed and understand the issues and what we as a company are trying to do. Which is probably why we have the lowest fall-off rate of any electricity company.

Our tariffs differ from all others on the market in one crucial aspect – we are a company dedicated to fighting climate change by changing where electricity comes from. To do this we invest our customer's money in building new sources of green energy. This is the ONLY way to increase the proportion of green energy in the UK fuel mix⁷.

We offer a choice between a premium 100%⁸ green tariff and a non-premium tariff made up of a mix of 'green'⁹ and 'brown'¹⁰ energy. We offer this choice because there are many people out there who want 100% green and are prepared to pay the premium for it but there are many more

(98% of our customers) who want to contribute to the fight against climate change but who would be put off having to pay such a hefty premium.

Many other company's sell '100% green' tariffs propagated on the myth that by signing up you're reducing your carbon footprint and helping the environment. But typically these tariffs simply reallocate existing 'old' green energy¹¹ from the many to the few, reducing personal emissions by increasing someone else's, and making no net reduction to UK emissions. These tariffs pay lip service to tackling climate change but contribute nothing practical towards it - the UK's total energy structure¹² will stay the same.

What our partners are saying ...

"We recommend Ecotricity to our supporters because they are investing disproportionately heavily in new renewables projects vs. other suppliers - their business model is forward looking and supporting tomorrow's low-carbon technologies. WWF is happy to recommend Ecotricity because it is doing the right thing and is a leader in the field - not because it offers a claim of carbon neutrality." WWF

Thank you for getting in touch about this and hope that we've answered most of your questions. Please feel free to call our Customer Services team if you have any further queries.

¹ The report contends that it is 'greener' for electricity suppliers to retire their LECs and ROCs than to trade them as intended by the schemes under which they are set up. This is a manifestly ill considered contention. This whole approach to 'greenness' is nonsense, creating stupidly expensive green tariffs that don't bring any new capacity online. Bizarrely the NCC have themselves acknowledged that the standard they have set is unaffordable, and so have chosen 5% ROC retirement as the benchmark – meaning by their own standards they are telling consumers to buy green energy of which 95% has been double sold – what confidence does it give to consumers to say "its a rip off, being 95% double sold, but we recommend it as the best you can get" ...

² You can read the full article on our website
http://www.ecotricity.co.uk/acrobat/JeremySmith_articleJune05.pdf

³ Read further details in the Ethical Consumers guide to green tariffs
<http://www.ethicalconsumer.org/magazine/buyers/electricity.pdf>

⁴ This site has the transcript of the ASA's adjudication against RSPB (retiring ROC's)

http://www.land-care.org.uk/environment/current_topics/2004/december2004/rspb_censured_11_12/rspb_censured_11_12.html

⁵ The report is at odds with OFGEM's latest guidelines on green tariffs, which examine ROCs and LECs specifically as a potential measure of greenness and then dismisses both – concluding that REGO's (Renewable Energy Guarantees of Origins) are the single measure needed to ensure greenness. Read the guidelines in full on OFGEM's website

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/10993_10905.pdf

⁶ The report wildly contradicts EU and UK legislation on Fuel Mix Disclosure, which is the European means by which greenness of electricity is tracked and reported, using REGOs – to ensure no double selling.

http://www.opsi.gov.uk/si/si2005/uksi_20050391_en.pdf

⁷ The 'UK fuel mix' refers to the make up of all of the electricity in the UK grid. Currently only 3.8% of this electricity is generated from renewable sources, the rest being generated by conventional means including gas and coal fired power stations and nuclear plants.

⁸ We charge a 0.5p per unit premium for our New Energy Plus tariff. This tariff is made up of energy from our own wind parks topped up with electricity from other 'green' sources bought on your behalf from the open market. Units of green energy sell for a premium, a combination of their scarcity and the demand for them, so we have to charge slightly more for them.

⁹ 'Green energy' – electricity produced from renewable sources.

¹⁰ 'Brown energy' – electricity produced from conventional sources such as coal and gas.

¹¹ 'Existing old green energy' – we make the distinction between energy produced from 'old' green – generating capacity that has been around for many years – and 'new' green energy – new capacity that's coming online as a result of support for companies like ourselves who are dedicated to increasing the proportion of renewable energy on the grid.

¹² The UK's total energy structure is its fuel mix (see note 6).