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New label launched for certified green electricity

A new certification scheme is launched today to label green electricity tariffs which have been certified as having genuine environmental benefits.

The 'green energy certified' label will help customers recognise tariffs that have been certified under the scheme. It will reassure them that if they choose a certified green energy deal they will be supporting suppliers who are going the extra mile to reduce carbon emissions.

The certification scheme will implement energy regulator Ofgem's Green Supply Guidelines, published last year. The guidelines set out what green tariffs should comprise, how they should be marketed and the evidence required to back-up claims. To be eligible for certification, suppliers will have to demonstrate to an independent panel of experts that their tariffs result in a reduction of a minimum threshold of carbon dioxide emissions.

Crucially suppliers must show that the activity associated with the green tariff is in addition to what they already have to do to meet existing Government targets for sourcing more renewable electricity and reducing household carbon emissions.

The independent panel, chaired by Solitaire Townsend, a leading sustainable development expert, has now assessed tariffs from all seven participants in the scheme; British Gas, E.On, EDF Energy, Good Energy, RWE Npower, Scottish and Southern Energy and Scottish Power. Details of the newly certified tariffs are available at www.greenenergyscheme.org

Sarah Harrison, Senior Partner, Sustainable Development, Ofgem, said: "Ofgem's guidelines and the new independently applied label will help give consumers peace of mind that when they buy a green electricity deal it will bring an additional environmental benefit – this is good news for consumers and for green tariffs."

Solitaire Townsend said: "My foremost priority is consumer trust. Only two per cent of Britons currently buy green energy, but I hope that a trustworthy label will convince many more to go green. To rebuild confidence in green energy our independence must mean just that; the panel decisions will be based on evidence not marketing. As a communications expert myself, I'm practised in spotting the difference."

Keith Allott, Head of Climate Change at WWF-UK said: "For far too long, green tariffs have been a swamp of misleading and confusing claims - and have done little or nothing to drive forward new renewable energy schemes. We hope that the new guidelines and certification scheme will be implemented robustly, and begin to give consumers some assurance that by choosing a green tariff they are making a difference."

The certified tariffs can begin to incorporate the new label in their communications from today.

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Notes to editors:

1. Solitaire Townsend is Co-founder of Futerra, the sustainable development communications agency. She sits on the United Nations Taskforce for Sustainable Lifestyles, is a Trustee of Tomorrows Company and was named Ethical Entrepreneur of the year in 2008.

2. What is a green supply tariff?

A green tariff is an electricity tariff marketed as having environmental credentials.

3. Below are quotes from three of the suppliers which are participating in the scheme:

Juliet Davenport, founder and CEO of Good Energy, which chaired the Green Guidelines Working Group, said: "Consumers want to know that they are making a real difference to climate change and thanks to this new green energy scheme they can now be assured of it. This scheme should put an end to greenwash in the market and, under the leadership of the independent panel, should significantly boost demand for renewables in the UK."

Jim Macdonald, Commercial Director, E.ON Retail, said: "These new guidelines are an excellent signpost for customers who now have complete clarity on the type of green energy they're buying. We're delighted to have green products for residential and business customers which have both achieved Ofgem green supply certification. In

addition, we remain committed to offering green solutions for customers and building a variety of renewable projects around the UK."

Eva Eisenschimmel, Chief Officer at EDF Energy said: "EDF Energy is delighted that its Green Tariff has achieved Ofgem's Green Supply Certification. Sustainability is at the heart of EDF Energy's strategy, as we set out in Our Climate Commitments published in 2007. This is the biggest package of environmental initiatives announced by any UK energy company. EDF Energy believes that projects which bring renewable energy into local communities are essential in bringing to life the role of green technologies. This is especially important for schools and other educational facilities."

3. Additionality

Under Ofgem's green supply guidelines, to demonstrate the delivery of an environmental benefit over and above what suppliers are already required to do, a supplier must undertake an environmental activity which abates at least a minimum threshold of carbon dioxide equivalent emissions. For domestic green tariffs, the minimum threshold has been set at one tonne of carbon dioxide equivalent emissions a year if the environmental activity is carbon offsetting and 50 kg of carbon dioxide equivalent emissions per year for all other environmental activities such as community-based renewable electricity projects. For green tariffs marketed to small businesses the thresholds will be scaled up according to their electricity consumption.

4. Scope of Ofgem's guidelines

Currently, the green supply guidelines and certification scheme only apply to tariffs for domestic and small business customers. They don't apply to green tariffs offered to the Industrial & Commercial (I&C) sector because respondents to Ofgem's consultations considered that Ofgem should focus on establishing a certification scheme for domestic and small business customers first. The I&C sector can look to the Department for the Environment Food and Rural Affairs Guidelines for Company Reporting on Greenhouse Gas Emissions for how green supply contracts should be treated. These guidelines enable businesses to report their impact on the environment by converting utility bills, car mileage and fuel consumption, into carbon dioxide equivalent data.

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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