



**THE RESPONSE OF THE UNITED KINGDOM ACCREDITATION SERVICE TO OFGEM'S
CONSULTATION ON:**

Revision of Guidelines on Green Supply Offerings

Foreword

The United Kingdom Accreditation Service is the sole accreditation body recognised by Government to assess, against internationally recognised standards, organisations that provide certification, testing, inspection and calibration services.

Accreditation by UKAS demonstrates the competence, impartiality and performance capability of these evaluators.

UKAS is a non-profit-distributing company, limited by guarantee, and operates under a Memorandum of Understanding with the Government through the Secretary of State for Trade and Industry.

UKAS accredited schemes are supported by and in operation with many Government departments and agencies. Some examples are given in Appendix I. Details of the most relevant example, the Emissions Trading Schemes, **in which many similarities with the proposed Green Supply Offerings Scheme can be seen**, are given within the text.

We have limited our response to those aspects of the consultation that fall within our knowledge and remit, primarily Section 3.3.5 of the consultation document.

Within our response we have used the terms accreditation and certification to mean the following:

- *Accreditation - formal recognition by the national accreditation body (in the UK this is UKAS) of the competence and capability of organisations to perform specified evaluations*
- *Certification – confirmation by an independent, impartial evaluator that systems, services, products or people meet particular specifications*

The meaning of these terms as defined here is **different** to the way in which they have been used in the consultation document.

In summary the attached submission proposes:

- 1) The reinstatement of an independent Quality Assurance system used to evaluate Green Supply Offerings**
- 2) The implementation of one unified approach, underpinned by UKAS accreditation, to ensure the provenance and quantity of green energy sources are comparable, independently verified and conveyed to consumers in an accessible way.**
- 3) Independent evaluation achieved through the implementation of a UKAS accredited scheme gives value to the ethos of Ofgem and the practices of participating energy suppliers, enabling consumers to confidently use a UKAS accredited Green Supply Offerings scheme as a tool in their choice of energy providers**

The response of The United Kingdom Accreditation Service to Ofgem's consultation on the *Revision of Guidelines on Green Supply Offerings*

1. Introduction

1.1 The role of Accreditation

This paper will explore the broad based benefits of third party accreditation within Ofgem's Guidelines on Green Supply Offerings and the scope for impartiality, clarity and consumer confidence that could be achieved through the involvement of accreditation and the United Kingdom Accreditation Service.

1.2 What is UKAS accreditation?

UKAS accreditation is the means by which, in the public interest, the integrity and competence of independent evaluators is confirmed and declared.

1.3 What makes UKAS unique?

Where UKAS operates it is recognised by Government (through a memorandum of understanding with the DTI) as the sole national accreditation authority, placing it in a unique position to regulate competition in the market and or establish confidence in monopolies without the need for further levels of intervention. Current projects that UKAS is involved with range from the Charter Mark and Emissions Trading schemes, which are in development, to the HSE Gas fitting operatives scheme which was developed in conjunction with the gas industry following the HSE announcement for such a scheme in 1996, and has resulted in a national register of competent gas fitting operatives contributed to by six UKAS accredited certification bodies.

1.4 How does UKAS accreditation work?

Initially UKAS assesses the validity of the proposed approach to an evaluation to establish:-

- There is a genuine need for and appropriate ownership of the approach being offered [driven by the market and/or Government not by the evaluators].
- The approach has been developed by all interested parties.
- The evaluation criteria meet appropriate technical standards.
- The approach is eligible for UKAS accreditation i.e. in the public interest and eligible for international recognition.

Having determined the approach is valid UKAS ensures guidance documents are available to enable it to conduct appropriate and consistent assessments of the evaluators to establish:-

- The impartiality of the evaluator.
- The evaluator is technically competent to do the work in question.
- The resources and facilities are appropriate and sufficient for the work and the evaluator's actual performance is to the required standard.
- The evaluator is capable of sustaining the required level of performance.

Once accredited the evaluator is monitored annually and reassessed every four years. An accredited evaluator must meet the required standards at all times and where lapses are identified UKAS oversees appropriate remedial action or withdraws accreditation.

1.5 When is independent evaluation useful?

Usually the reason for getting something independently evaluated is to confirm it meets specific requirements in order to reduce risks, for example product failure, health risks, company reputation etc or to meet legal or customers requirements. Anything can be evaluated, a product, equipment, people, organisations, organisms etc.

1.6 When is accreditation useful?

To actually minimise risk the evaluation needs to be correct. It follows therefore that evaluators must be competent to do their job and UKAS assesses them against agreed international, European or British standards as appropriate, and distinguishes competent ones by awarding the mark of accreditation (the Royal Crown). Where a choice of evaluators exists in the market place, there are pros and cons. The positive aspect is that the public have a greater choice and therefore more control, however the more evaluators there are, the greater the likelihood for discrepancies to occur between the way in which they operate and the services that they provide. Making the right choice and getting a competent evaluator is very difficult without the appropriate information or knowledge. UKAS accreditation is an assurance to end users that the evaluators meet internationally recognised requirements for integrity and competence.

1.7 Underpinning Confidence in Public Services.

UKAS provides the Government and the public with confidence in essential services e.g. (at present) food testing, the Forensic Science Service and public health laboratories. Additionally, UKAS is currently involved with the Charter Mark Scheme (which is owned by the Cabinet Office) which certifies excellence in customer services within the public sector. Once it was enough for Government to pronounce on something for it to be accepted as correct; more and more the public is demanding assurances independent from Government, with food safety perhaps the most obvious example of this trend. UKAS can ensure that appropriate and competent independent resources are available to validate claims in support of Government or devolved state policies and as such, there is no reason why these principles cannot be applied to the third party verification of green energy supply consistent with the OFGEM requirements.

2. Building on the foundations of the Future Energy Scheme

2.1 The Energy Saving Trust believes that the absence of any credible UK green tariff accreditation scheme has resulted in the market suffering as customers have become confused between the different offerings of energy suppliers. In 1998, EST developed and launched Future Energy as the first UK green tariff 'accreditation' scheme (in our terminology this is a certification scheme), with DTI funding and the backing of 11 energy suppliers. However, the subsequent introduction of a Renewables Obligation created an obligatory market whereby energy suppliers report on the amount of energy supplied that comes from renewable sources, this resulted in the closure of Future Energy. EST believes that the promotion of credible green tariffs through an 'accreditation' scheme would play an important role in raising awareness and stimulating uptake of renewables by householders.¹

2.2 In addition to organisations within the industry looking for some independent and meaningful determination of green offerings, a recent poll carried out by ICM² has stated that 73% of the members of the public questioned believe that consumers have a responsibility to manage their effect on climate change through the energy and lifestyle that they choose.

2.3 UKAS believes that an accredited certification scheme is appropriate both in order to manage the desires and expectations within the energy industry as well as the general public. The means by which this can be achieved by UKAS are set out below.

3. The potential form and function of UKAS accreditation in the provision of certified green supply offerings and comparable 'green' UKAS accredited projects

3.1 UKAS has a dedicated Development group that works directly with scheme owners to assist in the development of schemes to meet the needs of all stakeholders. Project management techniques are employed to ensure that a project is clearly defined, properly planned, resourced and implemented in order to deliver the stated objectives within the agreed timeframe.

3.2 UKAS has played a significant role in the development of third party verification of Green House Gas emissions data for both the UK Emissions Trading Scheme (direct participants and Climate Change Levy agreement participants) and the EU Emissions Trading Scheme. The initial work that was carried out, to exacting deadlines, enabled the UK Government to implement one of the first, if not the first, Emissions Trading Scheme of its kind in the world.

3.3 Consistency of approach, methodology and understanding has been driven through the development of UKAS guidance for verifiers (evaluators), and UKAS has taken a pro-active role in the development of a European guidance document for verification of Green House Gases emissions data for the EU Emissions Trading Scheme.

3.4 UKAS has worked with DEFRA in developing the requirements for verification, to ensure the verifiers adopt robust arrangements for carrying out the verification work consistent with DEFRA and Environment Agency requirements for monitoring and reporting

¹ Unpublished Statement made by the Energy Saving Trust

² The Guardian Newspaper *Blair told act now on climate* Tuesday June 21st 2005

of emissions. We are currently working with DTI to develop requirements for verification of new entrants.

3.5 The anticipated verifiers for the green supply offerings project would very likely be the existing UKAS accredited Green House Gas verifiers. This would mean that much of the work to assess and accredit these bodies for the Green Supply Offerings Scheme, would *already have been carried out* thus enabling a faster, more cost-effective means of implementing the scheme than if the scheme was 'starting from scratch'. Existing Green House Gas verifiers could extend their current accreditation to include verification of data for green energy provision.

3.6 The relationship between UKAS and the end user in both this and the current Emissions Trading Scheme would be as follows:

- UKAS would **accredit** existing Certification Bodies (verifiers) and/or new applicants
- Certification Bodies (verifiers) would **certify** the claims made by the energy suppliers
- Energy suppliers would be able to use the UKAS mark, along with the verifiers logo and scheme logo (as appropriate) in conjunction with their green supply offering statements
- The consumer would be able to determine with ease and confidence which energy suppliers to use, based on the statements, knowing that the claims had been independently verified and the guidelines uniformly applied.

3.7 Verification activities are risk focused throughout, and this is one of the key threads throughout verification, both in the management of the work, the actual verification tasks, and the independent reviews prior to confirmation that the data is correct and issue of the opinion.

3.8 Existing verification work for emissions data and calculations will monitor many of the claims assertions which will be used by suppliers regarding the green source, as this data will be directly linked to the calculations for the Green House Gas emissions.

3.9 Many suppliers of energy will be already required to submit to external verification under the EU Emissions Trading Scheme regulations.

3.10 The United Kingdom probably has the most experienced group of verifiers in Europe, operating under UKAS accreditation carrying out data verification.

3.11 The work undertaken by UKAS to date with verifiers has established market recognition for UKAS accredited Green House Gases emissions data verifiers both domestically and within Europe.

4. The funding and market recognition of a UKAS accredited scheme

4.1 With regard to the funding of the project, typically the development scheme is paid for by the group or organisation that are the owners of the project e.g. a Government Department or other. When the scheme is in place and ready to start, evaluators such as certification bodies will either pay for an initial application for accreditation or will pay for the effort required for the extension to scope of accreditation needed to cover the activity. In turn, companies supplying electricity generated from 'green' sources will pay the verifiers for the service that they provide.

4.2 The UKAS accreditation marks, incorporating the Crown and used under license from the Department of Trade and Industry, are highly distinctive and are recognised around the world as being a sign of thorough and independent evaluation.

5. The benefits of a single UKAS scheme

5.1 One source of independent assessment, and therefore one validation scheme will aid consumers in their choice of 'green offering' supplier as all suppliers will operate under the same standard. The use of many alternative verification schemes would lead to confusion in the market as consumers struggle to assess and balance the claims of suppliers.

5.2 Consumers and suppliers alike would benefit from the clarity of a single accredited verification scheme, subject to independent UKAS assessment, from the beginning of the process to the end user

APPENDIX I

SOME EXAMPLES OF GOVERNMENT DEPARTMENTS USING UKAS ACCREDITATION

Government Department	Scheme using UKAS accreditation
Cabinet Office	Charter Mark
Office of the Deputy Prime Minister	Building regulations
Home Office	Fire detection and security systems installation
Highways Agency	Vehicle recovery
Health and Safety Executive	Asbestos surveys and testing
Department for Environment, Food and Rural Affairs	Emissions Trading Scheme Organic food certification
Department of Health	Tobacco product testing Medical devices
Department for Transport	High speed rail interoperability Vehicle exhaust gas analysers