



Promoting choice and value  
for all gas and electricity customers

# Additionality workshop

**16 July 2007**

# Agenda – Additionality workshop

## 16 July – 10 until 12.30

### 1. Introductions

### 2. Strawman for renewables tariffs

- a. Minimum bar strawman – Cassie Higgs, NCC
- b. Information strawman – Nicki Small, SSE

### 3. Strawmen for low carbon tariffs

- a. Banding strawmen – Jo Witters, Ofgem

### 4. Transparency general

### 5. Way forward

# **Renewable tariffs - Strawmen discussion**

**Cassie Higgs, NCC**

**Nicki Small, SSE**

**16 July 2007**

# **Low Carbon tariffs - Strawmen discussions**

**Jo Witters  
European Strategy and Environment**

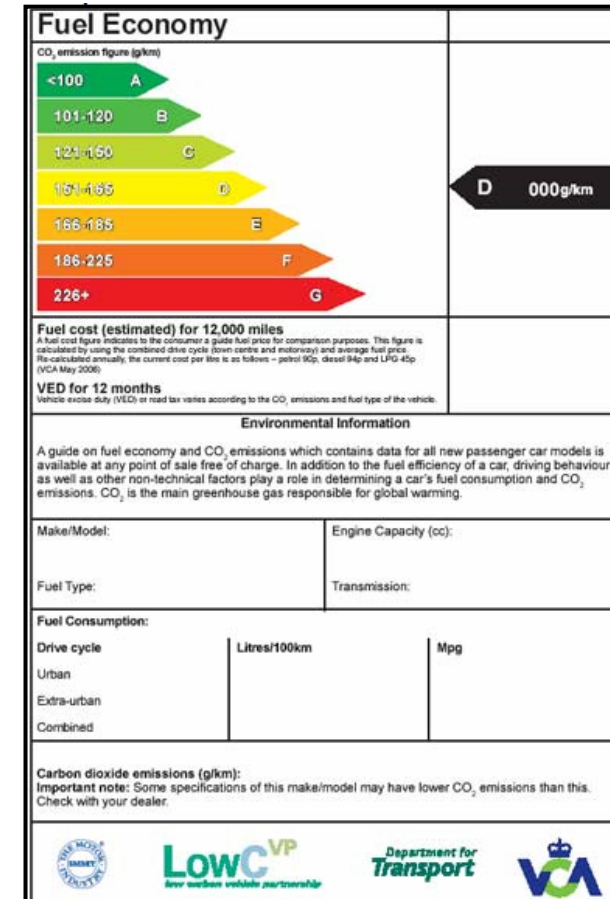
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## Low carbon tariffs

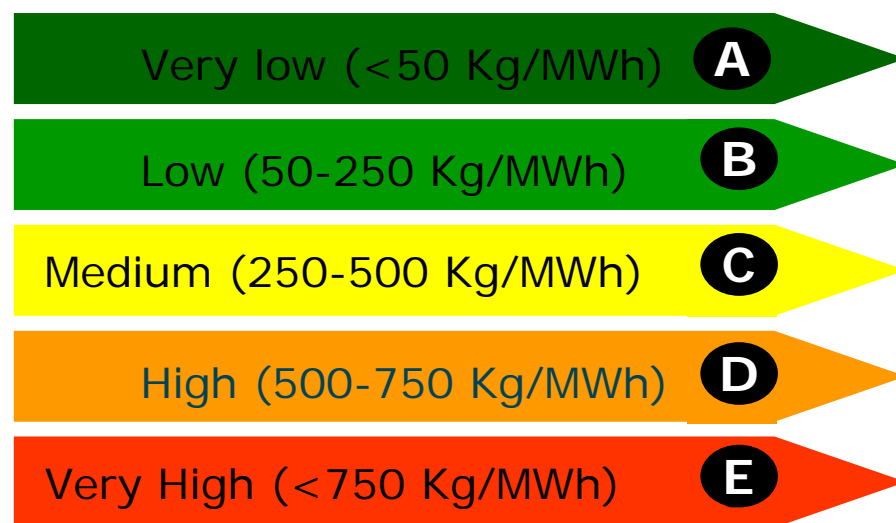
Potential to rate  
tariffs on the basis  
of their carbon  
intensity

Introduce a rating  
system similar to  
existing appliance / car  
efficiency ratings

Allows customers  
to make choices  
based on carbon  
preferences



## Low carbon tariffs



➤ Further work needed to develop appropriate ranges for bandings

➤ Renewable tariffs likely to be classified as "low" or "very low"

### **Banding should become more challenging over time**

- What should the trajectory for emission reductions be set at?
  - 2020 / 2050 targets?
- Should bands be reviewed annually / every [x] years?

## Information needed to enable customer choice

### Information would need to be provided to support banding data

- Customers could make better informed choices
- Information could be used together with renewable rating
- i.e. a tariff based on renewable supplies may achieve an 'A' carbon rating + renewable rating / stamp

### Information to include:

- (a) Fuel mix
- (b) An indication of the average emissions

### ***Q – likely to need this information at supplier level?***

- Reduce concerns re additionality
- Enable customers to assess overall carbon intensity of the supplier



## Treatment of carbon offsetting measures

### 2 options for treatment of carbon offset within tariffs

#### Option 1

- Carbon intensity of tariff **can be reduced** by equivalent amount offset through schemes
- Tariffs would be awarded a lower carbon rating on this basis

#### Option 2

- Carbon offset **not recognised** as reducing carbon intensity of tariff
- Tariffs rated based solely on their carbon intensity
- Carbon offset an added extra

If information is standardised / clear to customers  
– Option 1 could provide advantages

#### Questions

- Should contribution of carbon offset be capped?  
i.e. equivalent to UK NAP in EU ETS
- Limited to schemes compliant with Defra accreditation?





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