

## **ALLIANCE BOOTS RESPONSE TO OFGEM/ENERGY SAVING TRUST CONSULTATION ON GREEN TARIFFS**

### 1. Introduction

- a. Alliance Boots welcomes the opportunity to make some general comments on the consultation. We are not replying in detail to questions 1 – 17.
- b. We have set targets in the past for green procurement, but have not been suitably assured that purchases were adequately verifiable, therefore, we have concentrated on improving energy efficiency rather than buying ‘green’.
- c. We have also been concerned that procurement has been a year-on-year ‘dog fight’ between customers for a scarce resource, and that the RO has not encouraged enough new build to help meet demand. Although we understand the benefits of co-fired biomass, even if transported half way around the world, we are disappointed that Generators have not done more to provide additional green capacity

### 2. Our position

- a. Going forward, we wish to purchase green energy as part of a balanced portfolio of carbon reduction measures, and to be targeted on a national basis inline with government aspirations. We prefer this approach rather than via a Borough-by-Borough renewables target driven by initiatives under the so-called ‘Merton Rule’ umbrella: this can drive the wrong behaviours and waste resources.
- b. We believe a number of policies and initiatives must be considered together including: ‘green energy’ review; RO value for money; ‘Merton Rule’ proliferation; EPBD impact; CRC, especially the safety valve interface with EU ETS; the contribution of various grades of ‘off-setting’.
- c. We applaud, therefore, the desire to introduce more integrity and additionality into the green procurement arena, and urge that Ofgem/EST work closely with Defra re their reconsideration of the recently withdrawn [new] guidelines for reporting.
- d. The carbon emissions indicator probably should be defined with respect to carbon emissions intensity and we believe there should be more discussion about RO and what should be included in or excluded from the fuel mix factor. The use of a grid average is probably out dated and more specific, attributable values need to be used. I&C customers need quantitative emissions data to facilitate comparisons between Suppliers and to be able to report/claim carbon emissions based on their chosen purchase route.
- e. We would wish any changes to zero carbon accounting to be on a European basis rather than UK, and, if ROC retirement is deemed essential to additionality then

targets must be realistic rather than overly ambitious.

- f. We would wish information on green procurement to be in a format that facilitates carbon footprint reporting under the Carbon Disclosure Project
- g. We believe there is a need for clear definitions that will not change for a set period of time, e.g. to 2020 at least. We are not sure if it is the task of this consultation, but definitions of 'carbon neutrality' and '100% green' must also be agreed.
- h. We agree that tariffs should be ranked to improve transparency. We seek assurance that the REGO system is robust and provides customers with a guarantee of green authenticity.
- i. We believe the accreditation scheme should be mandatory with penalties and disciplinary procedures for non compliance.
- j. We urge that I&C customers are involved in the selection of the scheme administrator and/ or accreditation body, since this must be independent of Suppliers.

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