



David Hunt, Head of Retail  
Ofgem/Ofgem E-Serve  
9 Millbank,  
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SW1P 3GE

19 April 2013

Dear Mr Hunt

**The Retail Market Review – Final domestic proposals**

I am writing in response to the latest proposals under the Retail Market Review, which I believe as currently formulated will inevitably lead to a reduction in the number of Green Tariffs, and most likely to the withdrawal of most tariffs certified for compliance with Ofgem’s own Guidelines.

Having consulted the Utility Members within the Green Energy Supply Certification Scheme, it is the opinion of the Scheme’s independent panel that:

1. The statement in the impact review “Our proposal will raise consumers’ awareness of energy information including an increase in the awareness of consumption information, and so it may lead consumers to be more environmentally conscious” is overwhelmingly not supported.
2. Many energy consumers who have already proactively chosen green energy will now be forced onto an unwanted “brown” tariff with no option to remain green using their current supplier.
3. Current scheme members will not all wish to offer a green tariff.
4. There is unanimous expectation that the number of green tariff offerings available to consumers will decline, and that consumer choice will therefore fall.
5. There is widespread agreement that independent certification needs a minimum number of Scheme Members and tariffs to be credible and commercially viable.
6. Therefore our view is the effect of the current proposals would be that the Scheme in its current form would be very likely be unviable and collapse.
7. This risks a return to the pre-scheme position of dubious green claims.

Furthermore, the Panel do not believe that the partial solution of permitting greening through an opt-in bundle would work. As currently described in the RMR proposals, this explicitly prevents supply elements being included in the bundle and refers to the inadmissibility of the Scheme’s volume test being allowable as part of a green bundle. Even if this specific restriction were removed, so that the volume test (as evidenced through the purchase of REGOs) were to be permitted, the Scheme Members have told the Panel that they would not expect significant numbers of customers to opt-in, and that without a critical mass of such customers, they would be unlikely to be able to offer such a bundle on cost grounds.

The Green Energy Supply Certification Scheme is managed by an independent panel on behalf of the electricity industry  
Administrative functions are provided by a secretariat:  
The National Energy Foundation, Davy Avenue, Knowlhill, Milton Keynes, MK5 8NG  
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Instead, the Panel urge that there should be a special derogation for certified green tariffs, in effect creating a “four plus one” situation. Failure to do this will almost certainly reduce green energy to a niche product offered only by a small number of small suppliers, unwilling (or unable) to pay for independent verification to assure consumers that their offerings offer a genuinely green product. It is unlikely that such residual products would meet Ofgem’s current guideline requirements concerning matching, additionality and transparency.

We are disappointed that despite numerous contacts with Ofgem’s Sustainability Team, the RMR proposals would still have this effect on green tariffs, and hope that even at this stage it would be possible to include a clearly defined derogation to allow consumers the continuing option of a choice of independently certified green tariffs.

Yours sincerely

Solitaire Townsend, Chair of the Panel  
Stephen Andrews, Panel Member  
Giles Bristow, Panel Member  
Nick Eyre, Panel Member  
Virginia Graham, Panel Member

Please reply to the secretariat (attn: Ian Byrne), or by e-mail to [solitaire@greenenergyscheme.org](mailto:solitaire@greenenergyscheme.org)