

Helsinki, 24 July 2014

Ms Natasha Smith
OFGEM
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I EKOenergy Secretariat's comments on Ofgem's Final Proposal 'Protecting Domestic Consumers in the Green and Renewable Tariffs Market'

Dear Ms Smith, dear Sustainable Energy Policy Team staff

Thanks again for giving us the opportunity to be involved in this interesting process.

As you know, EKOenergy is a recently launched network of 34 environmental NGOs from 26 European countries. We focus on green electricity sales and on claims related to these sales. Our network doesn't have a British member yet, but we are in touch with several British NGOs and we are confident that our current contacts will sooner or later lead to a more intensive cooperation.

EKOenergy is also the name of the first and only pan-European ecolabel for electricity. See www.ekoenergy.org

We didn't find the time to study all the details and all the possible pros and cons of your proposal. But we definitely like the approach, the principles and the style. We also appreciate very much the way you summarized the reactions and respond to the comments you got.

Hereafter some minor comments.

We are not very familiar with British administration/bureaucracy. Therefore, we

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have no idea what it means that "suppliers will need to produce an annual report" and "Ofgem will monitor compliance". In point 1.13 you also refer to possible links with the Confidence Code. We noticed that auditing and verification are also mentioned in the Appendix 2 (page 23), but also in that part, it remains a bit vague. We hope that the auditing and verification procedures will be developed in very close cooperation with the suppliers, including (and in particular) the smaller 100% renewable energy companies. We also hope (and find it very important) that the administrative burden won't be a reason for anybody not to sell electricity under the renewable tariff regulation. The system should be within reach of everybody, e.g. by listing one or more concepts that would automatically qualify and that wouldn't need a further auditing.

Paragraph 1.10: If this text won't be fully in place before April 2015, a 'review' in 2017 may be far too ambitious. A 'first evaluation' in 2017 may be more appropriate.

Paragraph 1.12. We don't understand the last sentence of that paragraph. We had a look at p.49 and 50 of the RMR but didn't see anything related to this. We don't understand what the 'renewable energy certificates' are doing in that sentence. Do you mean REGOs? Or any certificates?

About Ofgem's specific feedback questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?

We are very happy with the openness. And we think your answers to the raised issues are clear and to the point. Thanks for this.

2. Do you have any comments about the overall tone and content of the report?

As mentioned earlier: we like the approach very much. We appreciate the flexibility, but we realize that the strength of this proposal is at the same time its weakness. The challenge is now to find a very cost-efficient way to audit and verify how the electricity suppliers are going to use (and not abuse) this flexibility. We see believe this is feasible, and we are interested in further brainstorming about it.

3. Was the report easy to read and understand, could it have been better written?

Yes, it is very clear and structured.

4. To what extent did the report's conclusions provide a balanced view?

We find it very balanced.

5.To what extent did the report make reasoned recommendations for improvement?

All your recommendations are reasonable and are fully supported by arguments.

We wish you all the best.

If this text, or a similar one, would be adopted, we would definitely be interested in promoting it. We would also be interested in joining forces with one or more British stakeholders to bring a green tariff to the market that fulfills the EKOenergy requirements as well as Ofgem's expectations. Looking forward to it.

Yours sincerely,

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