



green energy uk



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shareholder newsletter

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New Price, New Service Centre, New World

2006 was a challenging year, but we have made a number of changes during the last 15 months and there are still some to come. We have further broadened our supplier base; we have continued to acquire customers; and following the turmoil in energy prices, we placed the business in a safer position where it is protected from short-term market fluctuations.

customer service and billing in-house whereas it has historically been outsourced. You should experience the benefit of this integrated approach in the coming months.

We know we still have to address some presentation issues in billing and that is under way; we look forward to continued growth in customer numbers and

Welcome to our new compact newsletter. We use recycled paper in all our literature and this newsletter is printed using an environmental waterless offset process and vegetable inks on totally chlorine-free paper. If you would prefer to subscribe to an email version, simply log onto www.greenenergyuk.com and subscribe in the About Us section. We will remove you from our printed mailing list and you will be informed instead via email.

The way forward

As a result we were the last to put our prices up in October – but better than that, the new buying strategy provided visibility such that, by December, we could see that we had the ability to bring them down again in March. We announced this over Christmas – the first electricity company to do so – and we have just delivered on that promise!

That stability has provided the confidence to bring

We were the last to put our prices up in October – but we brought them back down again in March!

turnover as you continue to play your part by encouraging your friends, colleagues and families to join us. Thank you for your continued support.

Douglas Stewart – CEO



GREEN ENERGY UK QUESTIONNAIRE RESULTS



In our last newsletter we included a questionnaire to allow you to send us your views. Thanks to all those that replied and here we have included a brief summary of some of the responses

When we asked you what was the main reason for switching to renewable energy, the majority responded with concerns about the environment.

Reasons for switching

78% wanted to contribute to a cleaner environment

37% are worried about climate change

And there were some other interesting reasons given, too:

- Sensible biblical stewardship of the earth
- Desire to encourage the green energy market
- Cheaper than installing our own windmill
- The energy will not run out
- Triggered by rising oil prices

Government pressure

Everyone who responded felt that the government should be doing more to promote renewable energy.

88% said there should be grants for installers of renewable energy

85% agreed that there should be no VAT on green electricity

82% said there should be renewable installations on all government buildings

And there were some other extremely interesting comments about what else the government could do, and these mainly revolved around the following themes:

- **Investment:** more investment into renewable technologies including grants for micro generation
- **Taxation:** including taxing heavy polluters, tax breaks for clean energy, individual carbon allowances, taxing SUVs
- **Planning:** forcing all new builds to be more energy efficient, all to have renewable installations on them and removing restrictions for micro generation. More in favour of brownfield planning rather than green field.
- **Specific suggestions:** ranging from the mandatory removal of standby buttons on appliances and tax on non energy efficient light bulbs to suggesting that each MP publicises how they are becoming energy efficient.

Types of energy you're in favour of

Over 90% of the people who replied are in favour of broad stream renewable energy (therefore, solar, wind and hydro). There was less support for Biomass and CHP with around a third of you being confused about what these forms of energy are. Here we have included a couple of stories from our suppliers that explain the sorts of project we are involved in.

Combined Heat and Power and Biogas



Another of our suppliers, John Jones, a tomato grower in Hertfordshire, has been supplying electricity to us since 2001. With over three acres of greenhouses to heat, he decided to generate his own electricity. Currently he uses natural gas to drive turbines to generate electricity while powering his heating system. The hot water is pumped around the greenhouses keeping them warm. This is known as a combined heat and power system.

The exhaust gas produced, carbon dioxide, is also pumped into the greenhouses which enriches the atmosphere, promotes better plant growth and ultimately bigger tomatoes. As he produces more electricity than he needs, the excess is sold to us.

Recycling waste into power

John is changing his system to use waste vegetables as his source of fuel. He will fill vast underground bunkers with the waste products from a vegetable pre packing firm. He will collect the gas the vegetables produce as they naturally break down and use this 'biogas' to power the turbines and heat the water. This recycles vegetable waste into power that grows even more vegetables. Very efficient!

Biomass

Biomass is plant matter such as trees, grasses, agricultural crops or other organic material. It can be used as a solid fuel, or converted into liquid or gaseous forms, for the production of heat, electric power or fuels. Growing crops for the production of electricity is one way of reducing carbon emissions, but biomass energy can also come from the burning of business waste products, like sawmill or wood wastes.

Each 1,000kg of wood used to generate electricity saves:

- 460kg of crude oil, or
- 593kg coal, or
- 270kg natural gas

Biomass Engineering

green energy uk works with Biomass Engineering when they install new equipment and buy any excess electricity produced. Biomass Engineering manufacture the machinery needed to convert the waste material into electricity. Their showcase plant at Mossborough Hall, Merseyside, is on a mixed use farm where they gasify chipped logs and clean waste wood. Farmer Will Heyes says: "It's an excellent way to diversify while contributing to a better environment. I save approximately 750 tonnes of carbon dioxide from going into the atmosphere and see a return on investment in three to five years."



spotlighting our customers

We like to feature a variety of our customers both individuals and businesses that go the extra mile for the environment. If you would like your story to be included in a future newsletter, please let us know

Bamber Gasgoigne

Most people remember Bamber Gascoigne as a presenter of University Challenge, but what you may not know is that he is an environmental activist who puts his money where his mouth is when it comes to reducing his own carbon footprint. He personally drives a G-Wiz, one of the bestselling electric cars in the UK. Recently he appealed to Serge Lourie, leader of Richmond-upon-Thames council, to follow Westminster's example to allow free parking for all electric cars.

Bamber says "You can't get more environmentally friendly than an all-electric car and if you pay **green energy uk** the extra 10% or so to have 100% green electricity, then you have an answer to the sceptics who say – but just think of all the carbon emissions in making the electricity to run your car".

"But the main thing about the G-Wiz is it is great fun and of course, cost-saving. It costs about 30 pence to charge it up for another 40 miles, and at today's oil price that is the equivalent of about 600 miles to

the gallon. And no congestion charge, no road tax, free parking in Westminster and so on. I could go on, but you can see all the relevant details at www.goingreen.co.uk"

Sunbeam Studios

In our last newsletter we included an incorrect web address for Sunbeam Studios a spectacular location for photographic shoots. Please accept our apologies if you tried to locate them on the web. Their correct web address is www.sunbeamstudios.com.

GROUNDWORK SOUTH THYNESIDE



Groundwork's vision is to build sustainable communities through joint environmental action. In South Tyneside they are known for constructing the Eco Centre in Hebburn and here they also have their headquarters. The Eco Centre is constructed from materials recycled from sustainable sources, including re-used bricks from a demolished factory, an aluminium roof re-smelted from old drink cans, wood from farmed forests and woollen carpets. They specialise in renewable energy, engaging local young people and providing environmental education. They have a vast array of renewable systems themselves including photovoltaic panels, solar thermal water heaters, wind turbine and biofuel space heaters.

New turbine

Lionel Hehir from the Groundwork Trust says, "We are blessed with good wind and a south facing roof. Our existing wind turbine produced enough electricity for our needs at the Eco Centre, but we felt that we could have a



Bamber Gasgoigne is pictured here with Serge Lourie, leader of the Richmond-upon-Thames council, at a recent discussion to persuade him to follow Westminster's example and allow free parking for electric cars.

larger wind turbine that would produce electricity not just for us but which would produce an excess which we could sell onto [green energy uk](http://greenenergy.uk). That seemed to make good financial sense as well as environmental sense."

Big scale recycling

The 'new' turbine that they bought was actually secondhand as it was formerly sited in Cumbria and was generating renewable power for the National Grid. They have sold on their existing turbine to South Tyneside Council where it is now generating electricity for the local authority buildings. A great example of recycling on a grand scale!

We currently buy our electricity from renewable suppliers around the UK and across the range of available technologies including solar, wind, biomass, pig waste, and hydro. We will also buy from anyone generating electricity surplus to their requirements either at home or at their place of work. Please visit our website or email us at sellusenergy@greenenergy.uk.com.

UPPER TWYFORD BARN

Archtype is an architectural practice which specialises in sustainable design. Director Jonathan Hines is in charge of Archtype's West office in Herefordshire but as the company outgrew their premises, Jonathan began to look around for relocation opportunities.

Around this time the Duchy of Cornwall bought up a large estate in Herefordshire and began a programme of investment and upgrading of the building stock. Archtype

desired that their own workplace could be a showcase for their sustainable design approach and so decided to renovate Upper Twyford Barn, near Hereford.

The building is designed to a high environmental standard – including Douglas fir from the Duchy's own woodlands for structure and cladding, insulation made from recycled newspaper, and reclaimed Welsh slate roofing. Heating is by a woodchip boiler fired with chips obtained from local woodlands, the first in a network of installations planned by the Duchy to reduce reliance on oil and support local rural employment. And of course, electricity is being supplied by [green energy uk](http://greenenergy.uk).



Reducing your carbon footprint

You can't pick up the newspaper these days without reading about glaciers melting, polar bear extinction or another celebrity reducing their carbon footprint. But what more can you do to save energy?

Every person in the UK creates three tonnes of carbon each year. Switching to 100% renewable energy reduces your carbon emissions by about a third, but what more can you do? On our website in the Environment section, we feature 30 tips for energy conservation and while you may think it's not in our interest to sell you less electricity, we'd really like to help you keep your bills down and ultimately all use less electricity in our homes.

✓ Low temperature wash

A lower temperature of 40°C is hot enough to wash whites and soiled garments. A 30°C wash is usually enough for

coloureds. This saves up to three-quarters of the cost of washing at boil-wash cycle.

✓ Drying clothes

Invest in a sturdy clothes-horse and let clothes dry naturally. Electric tumble dryers are commonly the second biggest energy user in the home, after the fridge. Placing clothes on radiators lowers room temperature, forcing the boiler to work harder. If you really do have to use the tumble dryer try this tip which was e mailed to us by a customer: 'Put three tennis balls in the tumble drier- it really does reduce the drying time.'

✓ Switch off at the office

Apart from saving on energy and cost, switching off all office equipment before the weekend will help stop your computer or electrical equipment from wearing out.

✓ Turn off your monitor

Most CRT type screens (not flat screens) use between 30 to 200 watts per hour so switch off at lunchtime. The sleep mode is designed to protect the phosphor coating from getting damaged, not

save energy. The screen still uses energy saving only around 10 watts in sleep mode. Turn it off manually and save up to 120 watts.

✓ Reuse and recycle

Take cardboard and plastic bottles to your local recycling unit as well as glass and cans, you'll be surprised how much it reduces your waste each week. Unwanted household items can usually find good homes in charity shops or you could try to raise some cash by selling on eBay. There is also a free website where you can advertise unwanted items (www.freecycle.org) with the only restriction that goods are offered for free.

✓ Buy local and organic

The ingredients for the average UK meal travel 1,300 miles from farm to plate. Buying local and choosing seasonal produce can lower the food miles your food contributes – and look out for supermarkets that are also stocking from local sources.

✓ Go carbon neutral

The CarbonNeutral company (www.carbonneutral.com) allows you to offset the



carbon cost of flights, your car, your house or even your wedding by buying special packages that go towards planting trees.

✓ Generate energy

When you are doing all of the above you may wonder what else you could be doing. The Quenet family were already recycling, turning down their thermostats, walking and cycling as much as possible but triggered by the rise in energy prices decided to install a solar thermal panel (from www.letsogogreen.co.uk). This cost around £5,000 and will take around eight years to pay back in energy savings.

And, of course, switching to a renewable tariff and reducing your energy use are the biggest steps you can take to reducing your carbon footprint.



Helen, Mathew and Stephen Quenet pictured alongside their solar thermal panel

“Payback was not the major factor in our decision to install the panels, but we did want to do our bit to reduce emissions and go green – and to feel we have some control in the future over rising energy prices.”
Mrs Quenet, Hertfordshire

EXCLUSIVE READER OFFER

Vintage Roots is the UK's leading independent merchant of organic and biodynamic wines, beers, spirits, ciders, champagnes, juices and liqueurs. They cover the entire UK mainland by mail order. Whether novice or expert, their award winning range spoils you for choice, and their prices are surprisingly affordable, too!



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Fuel Mix Disclosure

Annually, all electricity suppliers are required to publish information about the mix of fuels used to generate the electricity supplied to their customers and the environmental impact. This is known as the Fuel Mix Disclosure. Green Energy (UK) plc bought electricity under the licence of Utility Link Ltd until 19th January 2006, and now buy through OPUS Energy Ltd. Utility Link Ltd subsequently went into administration and therefore have not made a disclosure for 2005/6. Under the regulations that licence is deemed to be the national average (see below).

Our projections

However in reality the percentage of renewable electricity that we bought was far greater although of course we did buy some brown electricity for our GE +10 customers. The renewable electricity we purchased as a company during 2005-6 was 39% green 61% brown.

We have increased the green content this year to more than we require. The sites from which we buy are new generators that we have helped come to market, so we are seriously supporting small scale generation. For the period 2006/7 we estimate that we will buy 79% green which is split as per the diagram. These purchases will have REGOs to support them.

Moving forward: REGOs

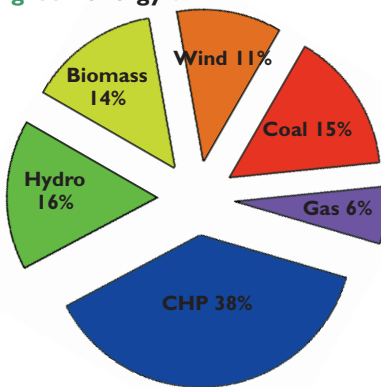
In order to provide evidence of declarations about green supplies, OFGEM (the regulator) has introduced Renewable Energy Guarantees of Origin (REGO) certificates from 2006. Green Energy (UK) plc have registered with OFGEM to use REGOs as proof of where we buy our energy. Renewable energy generators are accredited by OFGEM who issue REGOs for the renewable power they produce. These are transferred to the Green Energy (UK) plc REGO register and provides evidence that we have provided you with the amount of renewable electricity we state.

Our policy remains to buy electricity from non nuclear renewable British sources.

**National Average Fuel Mix 2005-2006: Coal 35.2%; Gas 36.8%; Nuclear 20.9 %; Renewable 4.2%; Other 2.9%. National Average Environmental Impact: per kwh 430g CO₂; radioactive waste 0.003g.*

OUR MIX

Our 2006/7 projections for types of energy bought by green energy uk



ESSENTIAL CONTACT DETAILS

Switching progress and status	0800 783 8851	progressstatus@greenenergy.uk.com
New connections	0800 783 8851	newconnections@greenenergy.uk.com
Billing	0800 783 8851	billing@greenenergy.uk.com
General service enquiries	0800 783 8851	customerservice@greenenergy.uk.com
Share information	0845 456 9550	shareholderservices@greenenergy.uk.com
Selling to us	0845 456 9550	sellusenergy@greenenergy.uk.com
Meter readings	0800 783 8851	readings@greenenergy.uk.com
Transferring shares	0870 889 3101	sharetransfer@greenenergy.uk.com
Recommending a Friend	0845 456 9550	info@greenenergy.uk.com
Affiliations	0845 456 9550	affiliations@greenenergy.uk.com

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