



green energy uk



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shareholder newsletter

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What a year!

If we ever needed reminding why we started this business, it was spelt out clearly during the year. Renewable energy is important to us for two very crucial reasons. Last November, the gas prices went through the roof and with them electricity prices. This cost us dearly, but not as much as some who lost their businesses. The issue is not just price; it's also about energy security. Now North Sea energy is coming to an end, we have to depend on unstable regions for energy supplies. So generating our own energy from non fossil fuel sources makes a lot of sense.

Secondly, we have seen continued media coverage of climate change culminating in the alarmist Stern Report. Whether you agree with the report and its findings or not, the case for action on climate change is made clear.

in which the business is less vulnerable to fluctuations in the market. This affords the confidence and scale to bring all customer service and billing activities in-house, where some have been outsourced in the past. We will now be able to retain the culture of the business we set up. It may take us a little time to bed everything down but the end result will be worth it.

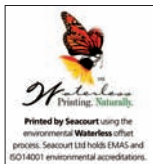
And we'll be adding some loyalty initiatives, e-billing and contracted prices for those who desire it.

We have seen continued media coverage of climate change and the case for action is now made clear

Thanks for sticking with us – being a green energy uk customer is one way to know that you're doing your bit for the environment, both today and tomorrow.

Douglas Stewart – CEO

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.greenenergy.uk.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

We have had a hiccup this year in terms of trading and profitability, but the business is back on track. We have entered a new partnership

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



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 buys 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 Gasgoigne 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

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**.



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**. 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@greenenergyuk.com.

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!



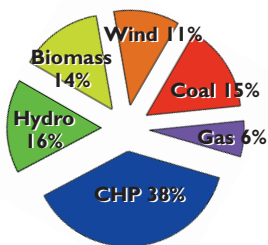
Place your first order online at www.vintageroots.co.uk quoting 'GE1' at the checkout and receive a £10 discount. Applicable to a minimum order of 12 bottles. Or request their wine list by calling free on 0800 980 4992 and they'll send a £10 voucher by post with your list. Offer available to over 18s only. Offer closes: September 2007.

Fuel mix disclosure

Annually, all electricity suppliers are required to provide information about the mix of fuels used to generate the electricity supplied to their customers along with details of the environmental impact. This is known as the Fuel Mix Disclosure and suppliers are required to publish this information on an annual basis on their bills, statements or promotional material. 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 are therefore not making a disclosure. Under the regulations, that licence is deemed to be the national average*.

OUR MIX

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



Our projections

However in reality the percentage of electricity that we buy that is renewable is far greater, although of course we do 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. By the end of 2006 we estimate, from the energy already purchased, and the contracts we have in place, that we will be buying 79% green which is split as per the diagram. These purchases will include 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 (REGOs) certificates from this year. Green Energy (UK) plc have registered with OFGEM in order 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 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.

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