

# PURCHASING AND REPORTING RENEWABLE ELECTRICITY



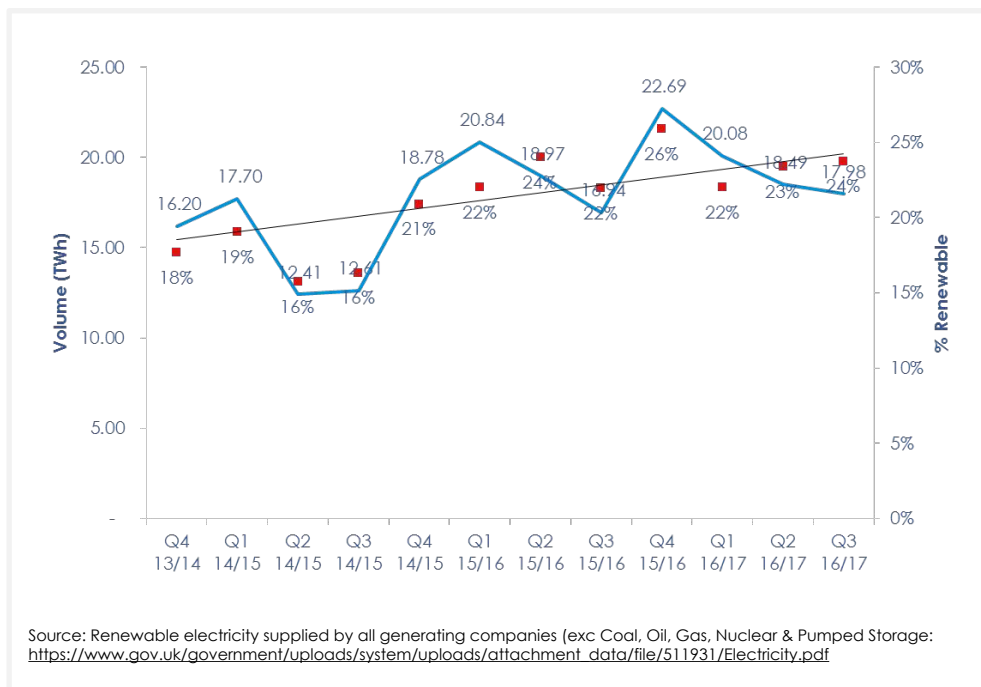
# Continued growth in renewable supply and corporate commitments

**RE 100**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



## Confidence is key when buying renewables

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Businesses need to know where their renewable electricity comes from and that every megawatt is backed by an origin certificate



The UK's first independently certified 100% renewable electricity supply product enabling businesses to report zero carbon emissions



\*100% of the electricity supplied is renewable, backed by certificates of renewable energy guarantees of origin. Emission factors are compliant with the GHG Protocol Scope 2 Guidance and to be used for the 'market-based method'.

## GHG Protocol now requires two approaches for reporting electricity emissions

### 1. Location-based

- Employs a country-level electricity emissions factor
- Published annually

### 2. Market-based

- Must be applied by all companies operating in the UK
- Employs an emission factor specific to the electricity purchased
- Applies to all electricity products, whether generated by renewables or fossil fuels
- Supplier-specific information must meet published quality criteria

## Quality criteria of the GHG Scope 2 Guidance

### Unique claims

Renewable certificates need to be tracked and not double-counted

### Vintage

Certificates should be from the correct reporting year (retired on 1<sup>st</sup> April)

### Market boundaries

Certificates should originate from the same energy market as consumption (i.e., EU)

### Supplier-specific emission factors

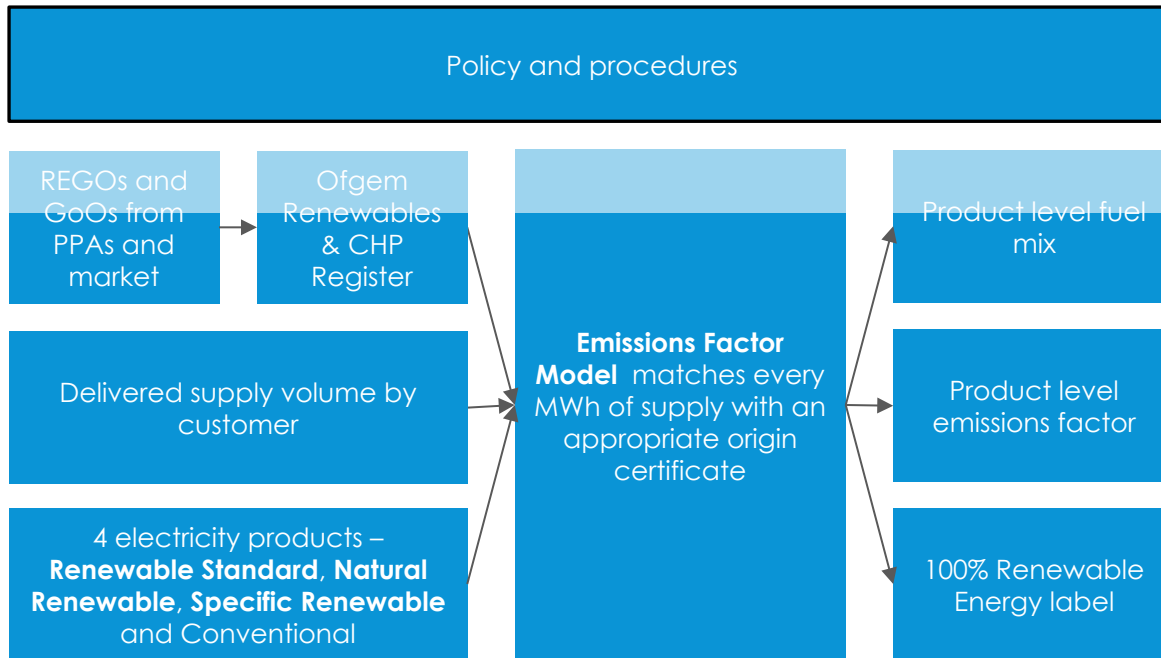
An emission factor should be published for each electricity product

## Claim made by SmartestEnergy

Claim stated in Renewable Certificate Allocation policy:

- *“All of SmartestEnergy’s electricity products defined as ‘renewable’ are 100% backed by renewable certificates.*
- *The generation sources claimed for each renewable product are backed by renewable certificates of the corresponding technology.*
- *The emission factors associated with all of SmartestEnergy’s products (conventional and renewable) are reported in accordance with the GHG Protocol Scope 2 Guidance.*
- *SmartestEnergy has embedded policies and procedures, which relate to the data collection, monitoring, reporting and checking, to achieve these ends.”*

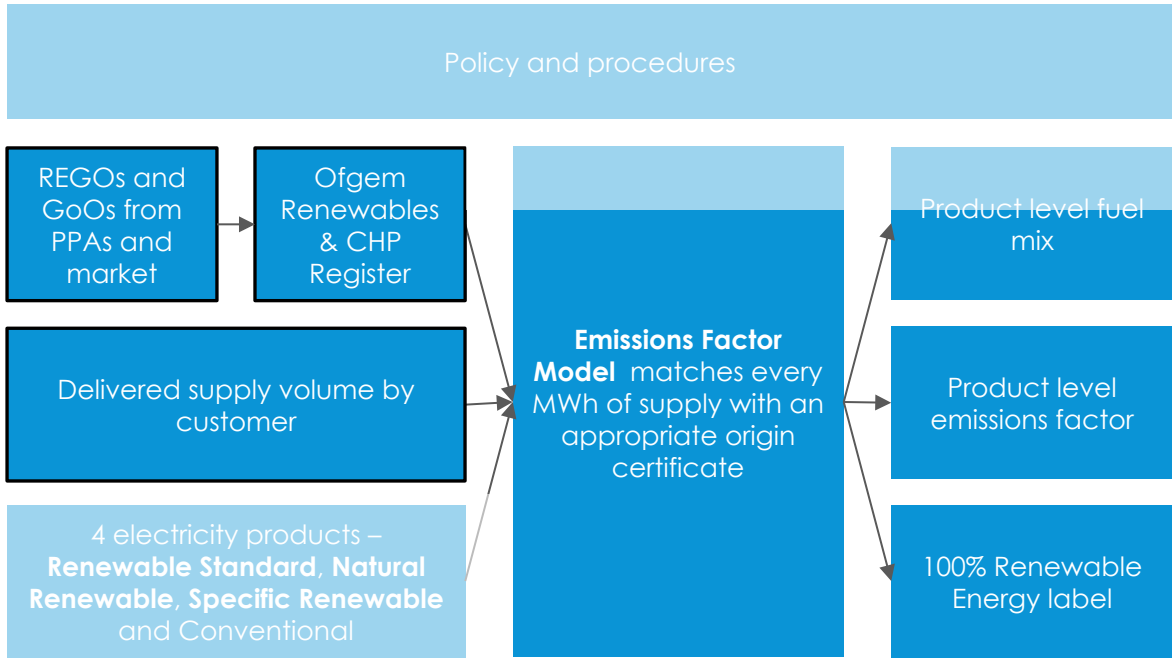
# Certification process: Policy and procedures



- > Independent Carbon Trust assessor reviewed policy, procedures and supporting evidence, and confirmed these were embedded during site visit



# Certification process: Data

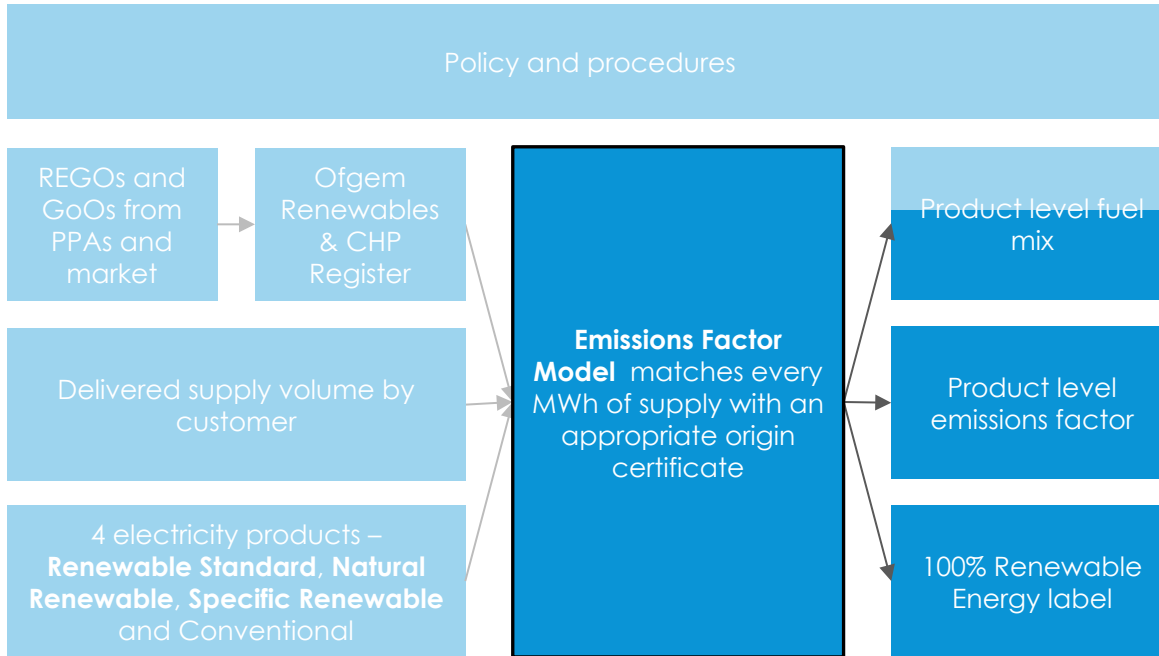


- > Assessor reviewed evidence of renewable certificate purchases, supply volume sales records and Ofgem register data
- > Examined sample data during site visit
- > Confirmed that source (period and location) of certificates matched period of consumption

**Vintage**

**Market boundaries**

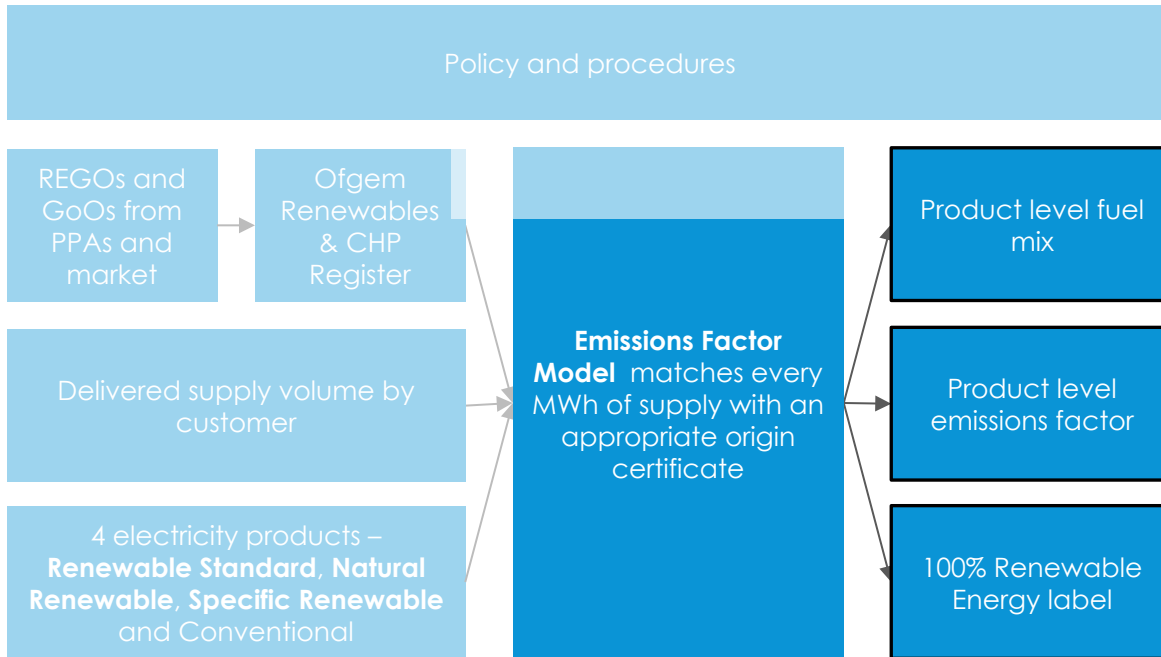
# Certification process: Model



- > Assessor reviewed the Emissions Factor Model and confirmed that:
  - > no double-counting of certificates takes place
  - > calculations are properly carried out
  - > there is accurate allocation of certificates by generation type, time period, product and customer

**Unique claims**

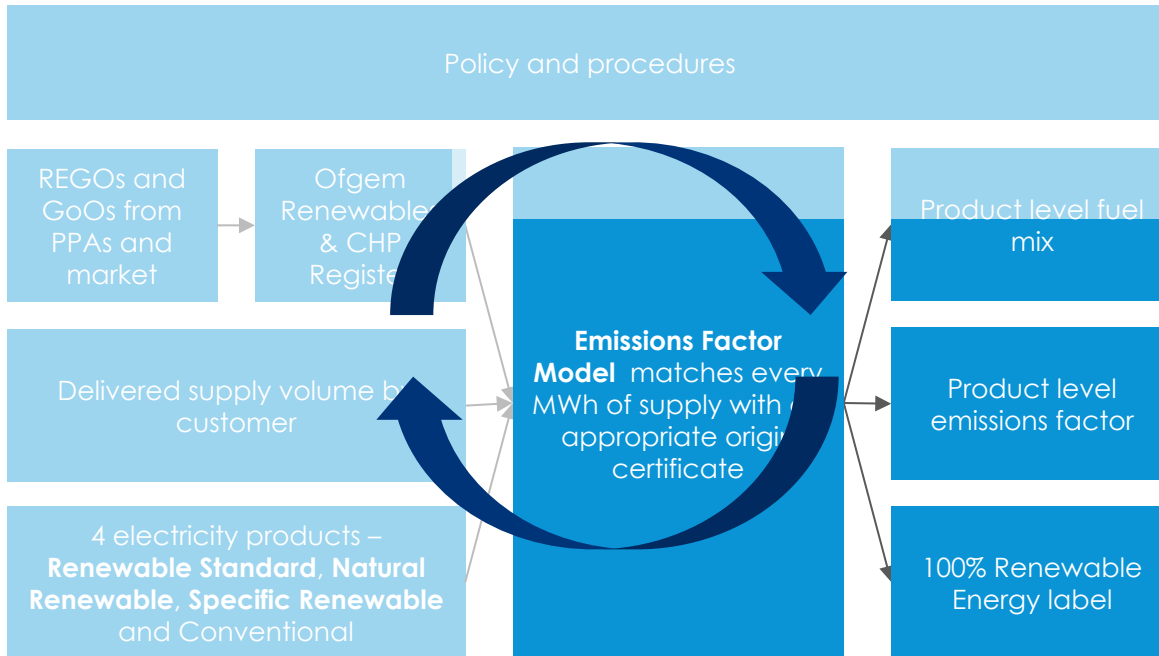
# Certification process: Outputs



- > Certification of 2015/6 Scope 2 reporting emission factors for each electricity product against GHG Protocol Scope 2 guidance
- > Assurance statement issued under ISAE3000 to reasonable level of assurance
- > Issue of the Carbon Trust 100% renewable label, supported by the certification and assurance

**Supplier-specific emission factors**

# Certification process: On-going checks



- Quarterly:
  - Gather evidence that processes continue to be observed
  - Review and address non-conformities
- Annually:
  - Review any changes to policy, processes and products
  - Annual assurance and certification process

## Carbon Trust has awarded SmartestEnergy its 100% renewable electricity label



- Clearly communicates the attributes of the purchased electricity to the customer
  - **100% renewable**
  - **Zero emission factor for carbon reporting**
- Helps companies communicate transparently with their stakeholders (investors, customers, employees, suppliers)
- Helps companies meet their carbon reporting requirements and provides full confidence that their reporting is accurate
- Backed by rigorous and on-going certification and assurance

\* 100% of the electricity supplied is renewable, backed by certificates of renewable energy guarantees of origin. Emission factor compliant with the GHG Protocol Scope 2 Guidance and to be used for the 'market-based method'.

# Customers really recognise the value of the certification

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“What SmartestEnergy provides us with their energy labels is **what Ernst and Young provide us for our books** and accountability.”

**Land Securities**



“Proper carbon accounting is critical to our ability to meet our GHG reduction goals. We want to ensure we are getting the products we need **and SmartestEnergy's independent certification ensures that we will.**“

**The O2**



“The agreement...enables our clients to enjoy the advantages of 100% renewable electricity and **gives us transparency over the sources of our energy.**”

**JLL**

## 6-point checklist for buying renewable electricity

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Questions	Your supplier	SmartestEnergy
1. Every MWh supplied must be backed by a UK-recognised origin certificate	?	✓
2. Owned by the supplier on the Ofgem Renewables and CHP Register	?	✓
3. Generated and consumed in the same reporting period	?	✓
4. Clearly allocated to the customer's actual (not estimated supply)	?	✓
5. Validated by a knowledgeable independent third party	?	✓
6. Regular monitoring to ensure sufficient certificates retained to meet supply	?	✓

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