



Good Energy^o
Living our Values



Our mission is to make it easy for people who are concerned about climate change to make a difference.



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Good Energy^o

LETTER FROM OUR CEO

Dear Good Energy supporters,

Every year is different at Good Energy – and 2008 was characterised by both highs and lows. Throughout the year we faced continuing price turmoil in energy markets. This always presents us with a communication challenge, because while our energy comes from sources that aren't physically linked to oil, the price of renewable electricity rises and falls in line with the overall energy markets, so we face the same raw cost changes.

Prices have fallen again in 2009 but that's unlikely to last, which is why we'll be significantly increasing the amount of power



we generate ourselves. A recent report suggested the UK can meet most of our electricity needs from wind power. Electricity prices will depend on whether it's windy or not – the British fascination with the weather will at last be justified!

In 2008 we also saw the start of the economic downturn, the extent and depth of which is still far from certain. I firmly believe that the recession presents an opportunity to rebuild our economy on sustainable values rather than the unsustainable ones that got us into this mess. I'm continually frustrated by the government, bailing out the motor industry imposing only a few environmental measures, not to mention its lacklustre approach to climate change and renewables. Grrr!

Let's get to the **good news** though. Despite the fairly difficult general environment, Good Energy has continued to grow the number of customers who buy our 100% renewable electricity and support the hundreds (yes hundreds) of renewable generators who sell us their power.

We've also responded to what you've been telling us you want from Good Energy by launching some new products. First, **Good Energy Gas** – read on to see how we agonised over how to do it and what we came up with. Next, **Good Energy Shop** – to provide advice on energy-saving products and how to lower your carbon footprint. We've tried to listen to what you want; please email and tell me what else you think we should be doing: Juliet@goodenergy.co.uk.

So what are we looking forward to in 2009? Having launched lots of new things in 2008, we're now making sure everything works well. We want to offer better advice to customers and communities on how they can get directly involved in renewable energy through www.generateyourown.co.uk and we're also looking forward to expanding both of our blogs www.greenenergyrepublic.com and www.good-energy.typepad.com/shop/ – let us know what you think we should be writing about.

Last but not least, **Copenhagen** will be a really important milestone this year. With a climate conscious president in the White House, and even China looking as if it will agree to implement targets on CO₂ and renewables, I feel **2009 could be the year the world woke up and took climate change and the potential for renewable energy seriously**. Let's hope so. We'll be doing our bit to support the right campaigns to make sure Copenhagen is a success.

Keep being renewable – and try to use less energy every day!

A handwritten signature in black ink that reads "Juliet Davenport". The signature is fluid and cursive.

Juliet Davenport

OUR HIGHLIGHTS IN 2008

More customers, more carbon savings

We enjoyed our eighth consecutive year of customer growth, with our customer numbers growing to more than 25,000 by the end of 2008, up from 23,770 in 2007 – a smaller increase than before, but still a good achievement in the current economic climate.



During 2008 our customers reduced their personal carbon emissions by 57,000 tonnes. And since Good Energy started in 1999 our customers have cut their personal carbon emissions by an astounding 296,000 tonnes – equivalent to over 33,000 family-sized cars driving around the equator.

Not only do our customers get the “greenest”¹ electricity available in the UK, but they use less of it too – the average Good Energy customer on a standard domestic single rate credit meter uses 10% less² electricity than the national average.

¹ according to www.electricity.info.org/suppliers; www.ethical-company-organisation.org

² figures are based on information/customer consumption data provided to Good Energy by Elexon.

Our customers say:

“I chose Good Energy because they are independent, genuine, and they allow me to play a part in the growth of renewables in the UK.”

Nick, Edinburgh

“Thank you so much for supplying us our energy. All of us are really happy to be part of what you are doing and I for one am glad to see an energy supplier actively engaging with the problem of climate change.”

The Shipstone family, Oxford

“I’d just like to say how glad I am to have switched to 100% renewables, especially as switching was so painless!”

Michael, Bristol

“What a pleasure it is to deal with a company like yourselves. The staff are all fabulous and friendly. The phone is answered by a human being.”

Jonathan, London



More power from the people

By buying 100% renewable electricity from Good Energy, our customers are supporting the pioneering community of independent generators harnessing energy from sunlight, water, wind and sustainable biomass.

During 2008 we signed up 142 new renewable microgenerators, bringing our total to 462, and making it our best-ever year. And we've continued to pay our microgenerators the highest financial reward* on the market through our award-winning 'HomeGen' scheme – which pays home generators for every unit of electricity generated, even the ones they use themselves.

We also increased our total number of SmartGen (small commercial and larger domestic) generators to 39, double the target we set ourselves in 2007.

Good Energy is now recognised as the leading supporter of small and medium-sized renewable generators. We believe that decentralised generation, where energy is generated at home and in the community, is better for our future energy security, as assets remain owned by the community rather than in the hands of a few big companies.

*Based on Good Energy competitive analysis research conducted in October 2008

Our generators say:

"I admire Good Energy's approach to doing business and its pioneering work in the clean energy sector. As a company they understand small-scale generators and actively support us."

Melissa, Wiltshire

"We believe that climate change is a threat to us all but we realise that there are so many things we can do to become part of the solution. Generating our electricity from solar power is just one way that we can really make a difference."

Tim and Fiona, Herefordshire

"It is giving us great pleasure and satisfaction that Ironmacannie Mill, which from 1640 until 1950 ground the grain from the surrounding farms, is now able to produce green electricity for the Mill House."

Chris and Jean, Scotland



Our shop customers say:

"One of the best online eco-shops I've found.....and it's kind of my job to know them all! Very clear, easy navigation using the house map, and very useful touches like having reviews from experts, customers and your own staff."

Gregor, KnittedYoghurt

"It's *the* place to go for definitive trustworthy advice on green products. You know that if something's on sale on the Good Energy site then it is really energy efficient - no sign of 'greenwash' here!"

Isabel, by email

Saving carbon through Good Energy Shop



In 2008 our customers told us:

"We want to do more at home to reduce our carbon footprint".

And so Good Energy Shop was launched in September 2008 – to provide people with easy solutions to climate change, by helping them to use less energy in their home, and where they can, generate their own electricity.

Our website www.goodenergyshop.co.uk sells a wide range of products which share a common theme – they can help reduce your carbon footprint. They include energy-saving alternatives to everyday household items such as low-energy light bulbs, radios and toasters, products to measure and manage energy usage, home generation equipment such as

solar panels and wind turbines, and some fun stuff too – from a solar powered helicopter for the kids to a wood-fired hot tub for mum and dad.

Our product selection process is stringent – everything we sell is tested, either by a panel of independent environmental experts or our staff, and we also get feedback from our customers.

Another key role for Good Energy Shop is to offer advice to customers – giving simple practical tips on saving energy just by changing the way you do things.

Finding out about generating your own electricity can be confusing. So we guide our customers every step of the way – from choosing the right technology, to installing the generator, to getting paid for the energy generated.

It is all too easy to feel powerless in the face of climate change. We see it as an enormous challenge but also an opportunity. Good Energy Shop offers another way to empower individuals to take positive, ethical action.



Our HotROCs & gas customers say:

“My decision to install solar panels was initially an environmental one, but thanks to Good Energy’s HotROCs it’s become an economic one too.”
Doug, Berkshire

“Good Energy Gas doesn’t just keep my family warm, it gives us a warm feeling inside knowing we’re doing our bit for the planet.”
Gary, Bristol



Saving carbon through Good Energy Gas and Good Energy HotROCs

In 2008 our customers told us:

“We’d like to buy gas from Good Energy”.

More than half our customers said they’d prefer to be on a dual fuel tariff, getting their gas and electricity from the same supplier. But we didn’t want to provide a fossil fuel unless we could also find a way of making it support our mission to fight climate change. After consulting our key environmental partners, such as Friends of the Earth, we came up with Good Energy Gas.

Around half the UK’s CO₂ emissions come from heating, but only 0.6% of final ‘heat’ demand comes from renewable sources. Last year, the government consulted on introducing a support mechanism for renewable heat generators – and it looks like it’ll be 2011 before a system is in place. With pressing 2020 renewable energy targets looming, we wanted to act sooner.

So we’re using revenues from selling gas to fund Good Energy HotROCs, the first renewable heat incentive in the UK, which pays domestic solar thermal generators 4.5p for each unit of heat energy they produce. We’re aiming to encourage renewable heat generation at home and reduce the UK’s dependence on gas. We won’t just be benefiting our customers, we’ll be influencing the industry as a whole.

Just as our electricity customers are supporting the growing community of independent renewable electricity generators, our gas customers are supporting those generating renewable heat.

Campaigning for a low-carbon future

An important part of our mission is influencing policy-makers to promote the growth of renewables in the UK. We also work closely with some of our key partners on their own campaigns to fight climate change – you can read more about that on page 18.

In 2008 our CEO, Juliet Davenport, was appointed to the Renewables Advisory Board (RAB) set up to advise the government on a wide range of renewable energy issues. We worked closely with OFGEM (the industry regulator), contributing to their consultation on green tariff guidelines, and other sustainability issues. We’re also working with the government on the introduction of Feed-in Tariffs, Smart Meters and the Renewable Heat Incentive. Our research into a sustainable biomass strategy has been submitted to the government to review as part of its own biomass strategy development.

Investing for the future through our wind farm

On 2 December 2008, North Cornwall District Council voted to approve our application to repower our wind farm in Delabole. This is great news – when the work has been completed in 2010 it should more than double the wind farm’s current capacity. This is our first wind farm development project and we expect other wind farm projects to be a key part of our future strategy.

By decommissioning the existing 10 turbines and installing four modern, more powerful turbines, the repowering project will harness the wind resource more effectively, providing enough energy to supply over 7,500 homes and saving around 10,000 tonnes of CO₂ a year.

Throughout the planning application process, we built strong support among the local community in North Cornwall. Many thanks to residents for welcoming the project so warmly, a key factor in our success.

If anyone is interested in the turbines we are going to decommission from the site, please do contact us at generation@goodenergy.co.uk – there is still life in them yet!

Awards and accolades

We continue to win awards for our work. It’s great for the team because it affirms that we are on the right track in our mission to combat climate change. You can keep up with our progress on our website:

www.goodenergy.co.uk/about-good-energy/our-awards

During 2008, Good Energy won:

- Sunday Times Best Green Companies Award for having the most environmentally-aware employees
- British Renewable Energy Association Company Award as a leading supplier of low-carbon lifestyles
- Wiltshire Wildlife Trust Green Award for Outstanding Contribution to the Environment
- Micropower Award for Innovation
- National Sustainable Housing Award for Greenest Energy Supplier
- Ethical Company Organisation’s Ethical Company Status
- Ethical Consumer magazine’s Best Buy for Green Electricity

“Delabole was the UK’s first commercial wind farm and its repowering is a significant milestone in the next stage of its development. We’re entering the second generation of wind energy in the UK, proving it is an economically and environmentally sustainable energy source.”

Juliet Davenport, CEO





Our summer party. Sports activities in Chippenham's Monkton Park.



Our 2008 Christmas party. Working alongside Climate Friendly Bradford-on-Avon to clear the riverbank for tree planting.

OUR PEOPLE

Continuing to grow

As our business grows and we develop both our existing and new products, our employee numbers have also grown. During 2008, another 22 people joined the Good Energy team, bringing the total number of staff to 60.

Without doubt, our people are at the heart of everything we do, and our success can be attributed to their hard work and commitment. They share our environmental and ethical values. This was never better demonstrated than when we won the Sunday Times Best Green Companies award for having the greenest employees.

- With so many new people continuing to join the company, in 2008 we introduced a new company manual and revised all job descriptions to include new environmental policies and procedures. As well as highlighting our mission and core values, it gives guidance on minimising waste, recycling, saving

energy at work, and sustainable travel to and from work and on company business;

- We carried out a staff satisfaction survey which showed that 93% of staff were satisfied with working at Good Energy, while an amazing 100% agreed or strongly agreed with the statements that:

“Good Energy is ethical”

“I understand what Good Energy is trying to achieve”

“I am committed to helping Good Energy achieve its goals”

- We launched a subsidised gym membership scheme which has had a great uptake. Staff have also formed a running group and organise weekly netball and football games. We believe healthy people are happy people and work together better!
- We organised quarterly social events, reflecting our environmental values, to thank our staff for their contribution.



Delabole Wind Fair 2008

"This year Delabole's windy aspect nearly made us cancel the Wind Fair! On Friday night, one of the marquees took off and it looked like the 2008 wind fair would be a wash out. However, the fair went ahead and it was a lovely event. The atmosphere was great and there was genuine interest in how renewables work and what people can do to lead a low carbon lifestyle."

Juliet Davenport, CEO



Juliet with TV-eco-hero Brigitt Strawbridge.



For our second annual wind fair at our wind farm in Delabole, Good Energy's cycle team made the 180 mile journey from our offices in Chippenham, Wiltshire, to Cornwall using only pedal power.

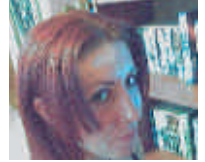
Meet the team

These are a few of the people who keep Good Energy running smoothly:



Barney Rhys Jones, our new MD, took the helm at Good Energy in August 2008. "Our belief in our mission is the driving force behind everything we do. By combining the passionate pursuit of this mission with the requirements of running a commercial business, we're able to build a sustainable, ethical position in a competitive market where we punch well above our weight."

Michelle works in Industry Ops, making sure all our data is correct. When she's not at work, she likes to hang out with reptiles – no pun intended; her collection includes several varieties of snake and a crocodile skink lizard. "There's a great diversity of character throughout Good Energy but we're all here working together for the same goal. We all believe passionately in what we are doing, you'd be hard pressed to find that anywhere else."



Vicky is a valued member of our customer care team. If you have any queries with your account she'll get them sorted. When she's not helping our customers, she can be found enjoying a music gig or two. "Working for Good Energy is enjoyable because it is a group of like-minded individuals all working to fight the battle against climate change."

Sean leads the software team which keeps our operations running smoothly. He's into music too, deputising Ronnie Wood in a brilliant Rolling Stones tribute band and playing the pub circuit with Wiltshire's finest, the MonkeyDolls. "I believe in consumer purchasing power. Working for Good Energy allows me to apply my skills to the cause. Being a small company, everyone's a big cog in the machine and all our efforts count."



Katie Jayne works in Business Support. When she is not busy making sure people get their bills on time, she likes to be out and about with her horse. "At Good Energy we have a clear vision of where we want to be and what we need to achieve, it's very rewarding to work for a company so committed to fighting climate change."

Dawn works for the Good Energy Shop, dispensing energy-saving advice, both online and on the phone. A Cotswold girl through and through, she likes long country walks with her faithful Westie at her side – in her view, a dog is the ultimate eco best friend. "Since the shop launched, over 11,000 people have subscribed to our E-newsletter. If we've helped each one save just 1kW of electricity in the past 10 months then we've saved 11,000kW of electricity and nearly 5000 kgs of CO₂. That's awesome!"





Will works in regulation. He's a bit of a policy geek, keeping tabs on developments in the industry and how they affect us. Like most Brits he's obsessed with the weather and has a fine collection of thermometers, anemometers and barometers at home. "I like to stay in touch with the power of nature and the UK's changeable, disagreeable but adorable weather. Good Energy's plan is to harness those awesome, endless forces – and is one I will always hold close to my heart."

"I enjoy working at Good Energy because I believe in who we are and what we are about.

I suspect that when most utility companies try and advise their customers about new products and services they can offer, the customer may presume that the supplier is just trying to find new ways to make more money. When I speak to our customers however, the reaction couldn't be more different. They're really keen to find out what we are doing, they want to get involved, our products are pioneering and our customers realise this and are genuinely excited to hear what we as a company are doing next.

I think of Good Energy as your local village organic vegetable shop and the 'big six' as the large out-of-town supermarkets. We are well known within our community, we only support renewable technology, just like an organic shop would only sell organic products. Our customers know exactly where our electricity is coming from, we are not some faceless profit-driven organisation and our customers get to know us. They enjoy speaking to us and realise that they do pay a bit extra, but feel that it's incredibly important that we are here and want to help support us and our generators.

So it's quite simple why I like working for Good Energy, where would you rather work? On the till at a large supermarket, selling products that you have no interest in, to people that just want to get in and out as quickly as possible? Or in your local organic vegetable shop, where you are helping support and grow your community, and you can go home at the end of a busy day knowing that you have done something good?"

Chris Organ, Customer Care



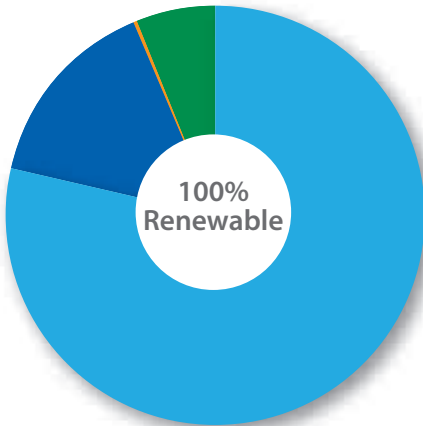
OUR ENVIRONMENTAL AND ETHICAL VALUES

Our electricity

We have always strived to be open and transparent about everything we do and seek independent verification where necessary.

Where 100% means everything

While all other electricity suppliers rely on electricity generated using fossil fuels and nuclear power, Good Energy remains the only one whose electricity fuel mix is 100% renewable. Visit www.electricityinfo.org.uk.



- 79% from wind
- 15% from water
- 5.9% from biomass
- 0.1% from solar

During 2008, 7% of our power was supplied by our wind farm in Delabole. We buy the rest from small to medium-sized independent generators throughout the UK. We therefore provide a very valuable route to market for the small generator. Our aim is to create a community of renewable generators across the UK, with Good Energy providing a trusted and ethical route to supplying customers with 100% renewable electricity.

Green supply guidelines

We believe that the green electricity market could be much larger and hasn't grown as much as, say, the organic movement because of the lack of a strong accreditation body. People who join Good Energy are already well informed or trust someone else who is already a customer. We want to make Good Energy accessible to a much wider marketplace. Over the past four years we've been working towards achieving accreditation with Ofgem to help develop their 'Green Supply Guidelines'. These are expected to be implemented in Autumn 2009, adding long-awaited clarity for customers about the green electricity market.

ROC retirement policy

Another factor which sets Good Energy apart from other green electricity suppliers is our ROC retirement policy. ROCs are a financial tool that we believe help to grow the market for renewable energy. We have always gone above and beyond our legal obligations for compliance, in recent years taking steps to retire the equivalent of an additional 5% of ROCs above and beyond compliance. This is calculated by working out what the financial costs would have been if obligatory compliance targets were 5% higher. We then retire ROC equivalents to that final value. We use the term equivalents because the market is complicated. ROC values change each year and the cost of retiring a ROC is higher than the cost of submitting a ROC for compliance purposes, because they are not eligible for a payment from the ROC buyout fund. ROCs are a complex market mechanism, so we explain our policy in greater detail on our website; and we have always employed an independent auditor to verify our claims on ROC retirement - see page 15.

Our operations

We're proud to be what we believe is the greenest electricity supplier in the UK, but it doesn't end there. We've made our commitment to fighting climate change integral to how we conduct our day-to-day business.

Following the eco-audit carried out on our offices in 2007, we've been implementing its recommendations. We can't do as much as we'd like because we're in a rented building, but we've done what we can within the constraints of our lease.

Good building

When we expanded our offices into the building next door to accommodate our growing workforce, we took a number of measures to improve the building's green credentials.

We redecorated using eco-friendly paints from The Green Shop in Stroud. More efficient insulation was installed where possible, and reflective film applied to windows in key areas to retain heat more efficiently in winter and keep the building cooler in summer. New carpets were installed throughout the building from a specialist eco-supplier www.interfaceglobal.com and old carpets have been recycled. Kitchen and reception floors were all replaced with recycled rubber tiles.

We've removed personal waste bins from individual desks. Each department now shares bins for cardboard, paper and non-recyclable waste, and green waste is collected in the kitchens for composting as well as glass, cans and plastic for recycling.

Good travel

We introduced the government's bike-to-work scheme in February 2008 to encourage staff to cycle to work and in their free time. Under the terms of the scheme, employees can spread the cost of a new bike over 12 months and repayments are tax free, making it a very cost-effective way of buying a new bike. We also provide showers in the office and safe cycle parking. It's a great incentive for our staff to get on their bikes.

We also implemented a car-share scheme for employees who cannot walk, cycle or take public transport to work. Those who car share are rewarded with a parking space in the Good Energy garage. Not only has this substantially

reduced the number of car journeys used to travel to work, but it has also been a fantastic staff bonding exercise as people working in different departments have got to know each other better by travelling together.

Good suppliers

We've also reviewed all our supplier guidelines, as a result of which we switched our stationery suppliers to a more eco-friendly company, www.commercial.co.uk, who impose their own strict environmental criteria including making deliveries using biodiesel cars. We use a local printer which is recognised as a leader in the field of environmentally responsible print, with ISO 14001 certification, using FSC paper and our own 100% renewable electricity, www.applecolour.co.uk.

"Making a difference is what we're all about. The first item on the agenda at our Board Meetings is always how we're doing in our mission to fight climate change."

Barney Rhys Jones,
Managing Director







Good carbon offsets





We measured our carbon footprint at 32 tonnes and researched the carbon offset market. We concluded that, when responsibly used, offsets can provide excellent emissions reductions and sustainable development benefits. We've identified the best provider in the field, Bristol-based charity The Converging World, www.theconvergingworld.org, and will be implementing our offsets during 2009, and continuing to focus on reducing our carbon footprint overall.

TARGETS AND CHALLENGES

Targets we met




We set ourselves a diverse range of targets in 2008, and we're really pleased that we've achieved most of them and exceeded many. Elsewhere in this Values Report we describe many of these achievements in detail, but here's a summary of the targets we met during 2008:

-  Lobbied for the introduction of a renewable electricity accreditation scheme
-  Launched Good Energy Shop to provide energy efficient products for the home
-  Launched Good Energy Gas supported by a renewable heat incentive
-  Increased the total number of home generation customers to 462 (target 450)
-  Increased the total number of larger generators to 39 (target 20)
-  Increased the % of electricity we buy directly through contracts to over 30% (target 25%)
-  Achieved planning approval to repower Delabole wind farm
-  Overhauled the company manual to provide an improved source of information to new employees
-  Introduced guidelines for managers on induction training
-  Ensured environmental responsibilities are incorporated into all job descriptions
-  Reviewed existing staff policies and formalised new ones where required
-  Undertook a staff survey to assess staff satisfaction
-  Established the company's carbon footprint and identified The Converging World as offsetter

-  Reviewed our supplier guidelines to make more ethical
-  Created a travel plan for staff travelling to work
-  Implemented better building insulation
-  Researched video conferencing; we're continuing to investigate possibilities with our key partners.






Making Progress

Nobody's perfect, and although we achieved a great deal there were a few targets we didn't make in 2008 but have made progress on in 2009:

-  To offer customers online paperless billing. We're still working on this
-  Began monitoring key figures such as consumption of gas, electricity, water and waste generation in January 2009, so we can set improvement targets
-  As of 30th June 2009, we had achieved 25,441 electricity customers, a little short of the target we set ourselves

Challenges for 2009

During 2009 we've continued to build on many of the successes we achieved in 2008:

- OFGEM** Ofgem guidelines on accreditation for renewable electricity schemes announced in February, expected to be implemented in October
-  Published an analysis of Feed-In Tariff models which has been submitted to the government as part of its consultation on the subject
-  Total number of home generation customers increased to 503 (April 2009)
-  Total number of larger generators increased to 46 (April 2009)
-  Increased the % of electricity we buy directly through contracts to over 50% (April 2009)
-  We've been named a Sunday Times Best Green Company (for the second year running); best online retail initiative in the Observer Ethical Awards for the shop; and West of England Business of the Year. Our CEO Juliet Davenport was awarded PLUS markets CEO of the year and was a Triodos Bank Women in Ethical Business finalist.

We've also set ourselves the following challenges to achieve by the end of 2009:

-  Increase the number of Good Energy customers (gas and electricity) to 29,000, saving almost 60,000 tonnes of carbon.
-  Increase the number of HotROCs customers we can support to 600
-  Increase our number of home generators to 650
-  Secure funding for the repowering of Delabole wind farm
-  Increase the number of subscribers to the Good Energy Shop newsletter to 15,000 so we can offer more energy-saving advice to more people
-  Implement a Customer Care Academy and identify more training opportunities for other employees
-  Create and publish a detailed ethical policy for Good Energy's business
- CO₂** Continue working on ways of reducing the company's carbon footprint.



Nexia Smith & Williamson

INDEPENDENT ACCOUNTANTS' REPORT TO THE DIRECTORS OF GOOD ENERGY LIMITED

We have examined the underlying records of Good Energy Limited in accordance with our terms of engagement and scope of work procedures dated 15 November 2004, which the directors have agreed.

Our work was performed solely to provide the directors with a report regarding the company's commitment to supply customers with power generated from renewable resources. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the directors as a body, for this report, or the opinions we have formed.


The procedures performed consisted of a review of relevant records and correspondence, analytical procedures and enquiries of management. The results of these procedures indicate that:

1. in the period from 1 April 2007 to 31 March 2008 Good Energy Limited sold 114,119 MWh of electricity to its customers;
2. during the period from 1 April 2007 to 31 March 2008 Good Energy Limited bought renewable energy from recognised renewable generators of at least 100% of the above value; Good Energy Limited holds Renewable Energy Guarantees of Origin Certificates ("REGOs") and Generator Declarations which identify the renewable source of supply for at least 100% of the above value;
3. for the period from 1 April 2007 to 31 March 2008 Levy Exemption Certificates ("LECs") to the amount of 100% of the electricity sold were held by Good Energy Limited. As these LECs are held to (Climate Change Levy is charged indicating that the electricity sold is derived from renewable resources;
4. for the period from 1 April 2006 to 31 March 2007 Good Energy Limited surrendered sufficient renewable obligation certificates (ROC) to meet the Government's target of 6.7% of MWh usage for the period. Good Energy also retired additional ROCs to the equivalent economic value of 5% above the compliance level. This 5.0% includes ROC equivalents generated by Good Energy's independent small home generators. The value of a ROC for this period was £49.28 per the Ofgem 2006/07 annual report;
5. for the period from 1 April 2007 to 31 March 2008 Good Energy Limited surrendered sufficient renewable obligation certificates (ROC) to meet the Government's target of 7.9% of MWh usage for the period. Good Energy also retired additional ROCs to the equivalent economic value of 2% above the compliance level. The value of a ROC for this period was £52.95 per the Ofgem 2007/08 annual report.

Based on the above procedures, in our opinion during the period 1 April 2007 to 31 March 2008, Good Energy Limited complied with its obligation to match electricity sales to its customers with purely 100% renewable generation and holds Levy Exemption Certificates, Renewable Energy Guarantees of Origin Certificates and Generator Declarations in respect of 100% of those sales, and for the period 1 April 2006 to 31 March 2007 and the period 1 April 2007 to 31 March 2008 the Company met the Government target of surrendering renewable obligations to 6.7% and 7.9% respectively of the Company's MWh output. The Company retired a further 2.9% of ROC equivalents for these 2 periods.

The procedures performed to verify the above statements do not constitute an audit. Should we have carried out any additional procedures, whether audit or review, other matters may have come to light that may have been reported upon.

This report is restricted to the directors of Good Energy Limited based on their agreement of the procedures performed. It also relates only to the above specific statements and does not extend to the company's financial statements taken as a whole.


NEXIA SMITH & WILLIAMSON LLP
Chartered Accountants
Durban

21/8/2009









WORKING IN PARTNERSHIP AGAINST CLIMATE CHANGE

Good Energy has developed strong partnerships with other organisations who share our ethical and environmental values.

Some examples:

Friends of the Earth

Friends of the Earth is one of the UK's most influential environmental campaigning organisations. It's got a fantastic track record of making things happen... from bringing doorstep recycling collections to every home in the country to banning GM food. Like us, Friends of the Earth recognises that climate change is the gravest threat to people and the environment. We're proud to have supported its campaign The Big Ask which led to the world's first Climate Change Bill becoming law in Britain in November 2008, and we'll continue to support its valuable work.

Friends of the Earth and Good Energy campaign on similar issues and launched a formal partnership in September 2008. Not only does Good Energy supply Friends of the Earth's offices with electricity from renewable sources but we make a donation to its funds for every new customer who mentions Friends of the Earth when they switch to us.

www.foe.co.uk



Sustrans

Sustrans is the UK's leading sustainable transport charity. Its Bristol office on College Green (see photo) has been powered by Good Energy for almost four years. Sustrans encourages people to walk, cycle and use public transport more. Like Good Energy, its practical work is all about reducing our impact on the planet - from co-ordinating the National Cycle Network to getting thousands of young people cycling their school run, to helping communities re-shape their local areas to make them people-friendly. Its environmental responsibility carries across the whole organisation - and is not just about transport - its staff recycle everything they possibly can, and even take it in turns to take the office compost home!

Good Energy is a natural partner and has been proud to support several Sustrans campaigns.

www.sustrans.org.uk



Centre for Alternative Technology

Based in Snowdonia, CAT offers solutions to some of the most serious challenges facing our planet and the human race, such as climate change, pollution and the waste of precious resources. It demonstrates practical ways of addressing these problems. Leading by example, it aims to show that living more sustainably is not only easy to attain but can provide a better quality of life. CAT addresses every aspect of the average lifestyle - including renewable energy, environmental building, energy efficiency, organic growing and alternative sewage systems. As such, it is a natural partner for Good Energy. We have been working together for several years and have contracted to buy their electricity generated from wind, solar and biomass.

www.cat.org.uk



Mackie's Ice Cream

At Mackie's family farm in Aberdeenshire, three wind turbines power the manufacture and storage of every tub of their delicious award-winning ice cream. This fourth-generation family farm adopts an environmentally responsible attitude to the land, protecting it for future generations as well as producing the best quality milk and cream. They take the same attitude to their energy use. Good Energy has been working with Mackie's since 2005, buying all the surplus energy they generate and helping them secure sustainable power for the future.

www.mackies.co.uk



Energy4All

Energy4All is the UK's leading expert in community-owned renewable energy schemes. A not-for-profit organisation, it's owned by the co-operatives it creates and is dedicated to helping communities around the UK to own and benefit from renewable energy schemes. We support Energy4All not only through an affiliate partnership, but also by buying electricity from one of its community wind farms: Westmill in Oxfordshire. We're buying the power from three of Westmill's five turbines for the next five years, which will provide enough electricity to supply around 2000 of our customers annually, saving around 1,500 tonnes of CO₂ a year.

www.energy4all.co.uk



ActionAid

For over 30 years, ActionAid has been working with and supporting the world's poorest and most vulnerable people. People living in developing countries suffer most from the negative impacts of climate change - food insecurity, reduced water availability, reduced income, loss of natural resources and more frequent and severe extreme weather events. For poor people climate change isn't just another economic loss; it threatens the very possibility of escape from poverty. 'Powering Change' is an innovative partnership between ActionAid and Good Energy that seeks to empower individuals to reduce their environmental impact while helping poor and marginalised communities adapt to climate change.

www.actionaid.org.uk

Some of the other
fantastic organisations
we work with:

GREENPEACE

 **innocent**
little tasty drinks

Alastair
Sanday's

RIVER COTTAGE


 **EXMOOR**
NATIONAL PARK

PUKKA




countrywide

Supplying the rural community

ADILI
-COM


WELEDA
www.weleda.co.uk

Dr.Hauschka

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FACTS ABOUT CLIMATE CHANGE

Here's a reminder of why Good Energy is here:

1 150,000 people a year are already dying from manmade climate change. (Source: World Health Organisation)

2 The earth's temperature rose 0.6°C in the last century. It's predicted to rise another 1.1– 6.4°C by the end of the 21st Century. The temperature differential between now and the last ice age is around 4.5°C. (Source: Defra)

3 Science has proved that temperature rises have been caused by human activity, largely from carbon dioxide emissions. (Source: International Panel on Climate Change)

4 The UK has 1% of the world's population, but accounts for 2.3% of the world's carbon dioxide emissions. (Source: Friends of the Earth)

5 The UK needs to spend 2% of GDP to avoid the worst effects of climate change. Dealing with the consequences could cost up to 20% of GDP. (Source: Stern Review of the Economics of Climate Change)

6 If we don't act on climate change, within 50 years a third of land-based species could face extinction. That's more than a million species. (Source: Greenpeace International)

7 Sea levels will rise between 20 and 60cm due to melting ice caps and glaciers, threatening millions of homes and rendering huge portions of land useless for agriculture. Flooding, droughts and severe storms will increase and much of the world will become uninhabitable. (Source: Greenpeace International)

8 As resources become more difficult to manage, millions of people will become refugees with serious humanitarian implications. (Source: Oxfam)

9 Electricity constitutes around 1/3 of the average UK household's CO₂ emissions (Source: BERR energy statistics 2008). Switching to zero-carbon renewable electricity can therefore help reduce your personal carbon footprint.

10 The UK is the windiest country in Europe but currently less than 2% of energy comes from renewable sources. The government target is 15% by 2020. The more people who switch to renewable energy, the more likely we are to reach that target. **Switch now.**



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STEPS TO TACKLE CLIMATE CHANGE

Cut this out and keep it handy. Or pass it on to someone else.

**WE MUST
ACT NOW**

- 1** Switch to 100% renewable electricity and Good Energy Gas and support the pioneering community of independent renewable generators. Get your friends and family to switch too. www.goodenergy.co.uk
- 2** Save energy. Simple changes like switching lights off, ditching standby and unplugging your phone charger when not in use will save you money and cut your carbon footprint. Turning your thermostat down by 1°C will save you around £25 a year. Investing in thorough insulation and other energy-saving products will save you money quickly. Visit the Good Energy Shop for more advice. www.goodenergyshop.co.uk
- 3** Campaign. Join Good Energy and our partners like Friends of the Earth and ActionAid and get active. Support their campaigns, petition, lobby, protest peacefully and make your voice heard for a cleaner, greener future. www.foe.org.uk
- 4** Ditch the car for short journeys. Transport causes 22% of the UK's emissions, and the average car journey is under two miles. Switching to walking, cycling or public transport would mean cleaner air, healthier people and a happier earth. www.sustrans.co.uk
- 5** Eat responsibly. Buy local to reduce your food miles. Buy organic for better sustainability. Buy more vegetables and less meat to reduce your ecological impact. www.soilassociation.org
- 6** Take the train. Holidaying in the UK or Europe can be a wonderful, low carbon adventure. www.seat61.com
- 7** Reduce, re-use, recycle. Our consumer-driven culture is costing the earth. Buy less and waste less. Donate to charity shops and freecycle. Whatever's left, make sure it goes in the right bin. www.recyclenow.com; www.recyclethis.co.uk
- 8** Put your money where your mouth is. Show retailers that you want to buy local, eco-friendly, ethically sourced products by voting with your wallet. www.goodfoodpages.co.uk
- 9** Generate your own. Generate clean, green energy at home with solar panels, wind turbines and heat sourcing. Good Energy Generation can help you along every step of the way. www.generateyourown.co.uk
- 10** Get communal. Find out about your local climate group and get involved. Volunteer to help – from digging a school vegetable patch to lobbying politicians. If there isn't a group in your area, start one up. www.vinspired.com; www.everyactioncounts.org.uk



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Front cover: Good Energy's wind farm in Delabole
Back cover: Wave generation in Scotland