# Good Energy's Renewable Energy Report

# April 2021 – March 2022

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### Section 1: Foreword from Good Energy's Chief Executive

Good Energy was established with a mission to build a cleaner, greener future together. Our ambition is to help one million homes cut their carbon by 2025.

We aim to achieve this by offering customers ways to play more active role in energy, generating, sharing and storing it, and help to choose clean transport too. But our core product today is the same as it has always been — genuine, 100% renewable electricity.

Good Energy's 100% renewable electricity fuel mix is compliant with the regulations which define 'The Electricity Fuel Mix Disclosure'. These regulations were created to show transparently where electricity has been sourced from and the environmental impact that resulted from its production. In fact, we go beyond what is required in the regulation. We do not only source the certificates require for our Fuel Mix Disclosure, but source power directly via Power Purchase Agreements from over 1700 UK based renewable generators to match the electricity our customers use.

Good Energy always has and always will supply 100% renewable electricity, derived only from UK sources of generation – this is our brand promise.

Good Energy also supplies UK homes and businesses with Green Gas. 10% of our Green Gas comes from biomethane – gas produced in the UK from organic matter like manure and food waste.

To make our Green Gas totally carbon neutral, emissions from the gas our customers use is offset through verified carbon-reduction schemes such as those that support local communities in Turkey, China, Viet Nam and India.

A commitment to the environment is increasingly an important part of many businesses core objectives in the UK. For businesses concerned with reducing their environmental impact, the ability to report zero carbon emissions from its 100% renewable electricity usage is essential.

The World Resources Institute (WRI) is the leading international authority on carbon accounting and reporting. Its GHG Protocol Scope 2 Guidance (an amendment to the GHG Protocol Corporate Standard) provides global standards for companies reporting their greenhouse gas emissions and is recommended by the Department for Food and Rural Affairs as the best way to understand, quantify, and manage greenhouse gas emissions.

We strongly believe that the WRI's guidance on Scope 2 reporting is the global standard to which all energy suppliers' fuel mix must be benchmarked.

The guidance includes a set of Quality Criteria which details the global standard for companies to report the Scope 2 emissions from the contract that they have agreed with their electricity supplier, known as the market-based approach. Good Energy's adherence to these Quality Criteria means our business customers may report zero carbon emissions for the electricity supplied to them.

SGS UK Ltd ("SGS") has been selected to provide Good Energy with a rigorous assessment of our 100% renewable brand promise and interpretation of the WRI's Quality Criteria for Scope 2 reporting. SGS has provided an independent assurance opinion in accordance with internationally recognized standards and guidance, including the verification approach as per the ISO 14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions.

This report, audited by SGS, provides the guarantee to our customers that we are delivering on our promise, and helping them to cut their carbon.

Nigel Pocklington. CEO

### Section 2: Good Energy's Management Assertions

1. 100% renewable "Brand Promise":

We have obtained and retired sufficient Renewable Energy Guarantee of Origins (REGOs) to match 100% of the volume of electricity supplied to our domestic and non-domestic customers for the year ended 31 March 2022.

2. All Renewable Energy Guarantee of Origin (REGOs) certificates are supported by Good Energy Power Purchase Agreements (PPAs)

We ensure 100% of the REGO certificates obtained are fully supported by a PPA with a renewable energy generator based in Great Britain.

3. Our interpretation of the WRI GHG Protocol Scope 2 Guidance (2015) Quality Criteria:

We have prepared our Fuel Mix Disclosure<sup>1</sup> for the year ended 31 March 2022 in accordance with our interpretation of the Scope 2 Quality Criteria as defined by the WRI GHG Protocol Scope 2 Guidance (2015) table 7.1.

4. Minimum biomethane content of Green Gas:

We have obtained and retired sufficient Renewable Gas Guarantees of Origin (RGGOs) to match at least 10% of the volume of Green Gas supplied to our domestic and non-domestic customers for the year ended 31 March 2022.

### 5. Carbon Neutral Green Gas promise:

We have obtained and retired sufficient carbon credits to offset the emissions created by the supply of gas to our domestic and non-domestic customers for the year ended 31 March 2022.

Section 4 of this document contains our Fuel Mix Disclosure table and the associated basis of preparation for the year ended 31 March 2022. Section 5 contains our interpretation of the WRI GHG Protocol Scope 2 Guidance Quality Criteria.

The Directors of Good Energy are and shall be responsible for Management's Assertions and this report, including the design of internal controls put in operation which determine the matching of electricity volumes supplied to our domestic and business customers, to that sourced from 100% renewable generation, and that our Green Gas is carbon neutral. Specifically, the Directors are responsible for establishing appropriate internal controls to ensure continued compliance with the Management Assertions and Assessment Criteria.

Nigel Pocklington CEO

Signed for and on behalf of Good Energy Limited

<sup>&</sup>lt;sup>1</sup><u>https://www.goodenergy.co.uk/our-energy/</u>



### ASSURANCE STATEMENT

#### NATURE AND SCOPE OF THE ASSURANCE

SGS United Kingdom Limited was commissioned by Good Energy Ltd (GE), Monkton Hill, Monkton Reach, Chippenham SN15 1EE, to provide independent assurance with respect to Good Energy's Management Assertions within their Renewable Energy Report ( "the Report"). The Directors of GE are responsible for:

 Ensuring that information relevant to the preparation of Management's Assertions (set out in sections 2,4,5,6 and 7 of the Report) is free from material misstatement, whether due to fraud or error;

- Establishing objective reporting criteria for preparing Management's Assertions.
- Measuring and reporting Management's Assertions based on the reporting criteria; and
- The content of the Report, including but not limited to Management's Assertions set out in Section 2 and the basis of preparation set out in Sections 4 and 6.

It is SGS' responsibility to express an independent opinion on the reported data within the scope of assurance.

The objective of the engagement was to advise GE stakeholders that the following assertions within section 2 of the Report have been subject to an independent limited level of assurance:

- Management's "Brand Promise" assertion that Good Energy has obtained and retired sufficient Renewable Energy Guarantee of Origins (REGOs) to match at least 100% of the volume of electricity supplied to their domestic and non-domestic customers for the year ended 31 March 2022.
- Management assertion that 100% REGO certificates are supported by Good Energy Power Purchase Agreements with generators in Great Britain.
- Management's "Compliance Statement" assertion that they have prepared their Fuel Mix Disclosure for the year ended 31 March 2022 in accordance with their interpretation of the WRI GHG Protocol Scope 2 Guidance (2015) Quality Criteria (in Section 5).
- Management's assertion on the minimum bio-methane content of Green Gas. That Good Energy has
  retired sufficient Renewable Gas Guarantees of Origin (RGGOs) to match at least 10% of the volume
  of Green Gas supplied to their domestic and non-domestic customers for the year ended 31 March
  2022.
- Management's "Carbon neutral Green Gas promise" assertion that Good Energy has obtained and retired sufficient carbon credits to offset at least 90% of the emissions of Green Gas supplied to their domestic and non-domestic customers for the year ended 31 March 2022.

The engagement was combined with the verification of renewable energy purchase and supply and greenhouse gas emissions. The verification and assurance methodology employed by SGS was based upon the internationally recognized standard ISO 14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions. The assurance was comprised of a combination of desk-based documentation review and telephone interviews with relevant employees.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is a world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; environmental, social and sustainability report assurance. SGS United Kingdom Limited affirms its independence from GE being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, including experience in the assurance of renewable energy and greenhouse gas emissions data.

#### VERIFICATION/ ASSURANCE OPINION

On the basis of the information provided and the verification work performed, nothing has come to our attention that Good Energy's Management Assertions in the Report is not, in all material respects, fairly stated.

Signed:

-CL 10

For and on behalf of SGS United Kingdom Limited Pamela Chadwick, Business Manager 5<sup>th</sup> October 2022 SGS United Kingdom Limited Inward Way, Rossmore Business Park Ellesmere Port, Cheshire United Kingdom CH65 3EN

### Section 4: Good Energy's Basis of preparation for the reporting of the Fuel Mix Disclosure: Our Brand Promise

The Electricity (Fuel Mix Disclosure) Regulations 2005 (FMD) regulations – which form Licence condition 21 of the Electricity suppliers Licence: Standard Conditions<sup>2</sup> and, separately, Condition 30A of The Electricity (Fuel Mix Disclosure) Regulations 2005, obligates electricity licensees operating within the UK to publish the breakdown of generation by fuel type supplied to domestic and non-domestic electricity retail customers between the period of 1 April and 31 March, annually ("Disclosure Period").

The key concepts and definitions within the FMD provide the supporting basis for evidencing the WRI Scope 2 Guidance Quality Criteria, including:

- Contractual evidence or proofs of generation which evidence the source, attributes and claim to a specific unit of electricity generation. For renewable electricity generated in the UK, this refers to renewable electricity tracking instruments; Renewable Energy Guarantees of Origin ("REGOs").
- CO<sub>2</sub> emissions factors for each specific fuel type and residual 'grid' electricity, as prescribed by DECC. For renewable electricity generated in the UK that is backed by a Renewable Energy Guarantee of Origin (REGO), this emission factor is zero.

## Section 4A: Outline of Good Energy's processes and calculations for the reporting of the Brand Promise

- 1. Evidence of electricity purchases:
  - a. For all sources, Good Energy accounts for renewable sourced electricity purchases as being evidenced by the use of REGOs as approved under the FMD Regulations
- 2. Supply data:
  - a. Total electricity supplied within the disclosure period is as determined under the Renewables Obligation methodology<sup>3</sup>, provided by Ofgem.
- 3. Fuel Mix Disclosure calculation overview and method:
  - a. The data we use:
    - i. For the purpose of benchmarking our 100% renewable fuel mix, we use the annually updated national FMD data published by DECC<sup>4</sup>.
    - ii. As evidence of our 100% renewably sourced generation, we use REGOs as required by the FMD regulations. 100% of REGOs are obtained from PPAs with a renewable energy generator based in Great Britain.
    - iii. As evidence of the volume of electricity we supply during the compliance period, we use the Renewable Obligation methodology.
  - b. Overall Fuel Mix calculations
    - i. In preparing our FMD, Good Energy ensures that our fuel mix is 100% renewable by holding at REGOs equivalent to at least 100% of our supply volume over the compliance period.
    - ii. For the avoidance of doubt, as all of Good Energy's electricity purchases and electricity generation is sourced from embedded generation, we do not apply a Transmission and distribution loss factor as described within the FMD regulations.

<sup>&</sup>lt;sup>2</sup> <u>https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/82782/fuel\_mix\_disclosure\_regs\_2005.pdf</u>

<sup>&</sup>lt;sup>3</sup> https://www.ofgem.gov.uk/system/files/docs/2020/02/2002\_ro\_supplier\_guidance.pdf

<sup>&</sup>lt;sup>4</sup> https://www.gov.uk/government/publications/fuel-mix-disclosure-data-table/fuel-mix-disclosure-data-table

## 4B: Performance Measure: The Fuel Mix Disclosure output for the disclosure period ended 31 March 2022

Good Energy's emissions factor table, presented below and published at goodenergy.co.uk has been prepared in accordance with The Electricity (Fuel Mix Disclosure) Regulations (2005) Condition 30A and Licence condition 21 of the Electricity suppliers Licence.

Good Energy's Fuel Mix Disclosure refers to its entire electricity supply for the disclosure period, therefore the CO<sub>2</sub> emissions is applicable to all electricity supplied across the period for both business and domestic products:

100% renewable electricity product - every MWh of electricity supplied to all Good Energy business and domestic customers within a disclosure year is matched to renewable generation backed by a Renewable Energy Guarantee of Origin (REGO).

The Fuel Mix Disclosure table is prepared in accordance with our interpretation of the WRI GHG Protocol Scope 2 Guidance (2015) Quality Criteria.

	Fuel Mix				Environmental impact		
	Coal	Natural Gas	Nuclear	Renewable	Other	CO₂ g/kWh	Nuclear Waste g/kWh
Good Energy	0.0%	0.0%	0.0%	100.0%	0.0%	0.000	0.000
UK Average⁵	3.8%	38.5%	16.1%	38.7%	2.9%	198	0.007

Good Energy's Fuel Mix, published for the period 1 April 2021 to 31 March 2022:

# Section 5: Good Energy's Assessment Criteria in relation to the WRI GHG Protocol Scope 2 Guidance

WRI Scope 2 Quality Criteria	Good Energy interpretation of WRI Guidance	Good Energy Basis of Preparation
<ol> <li>All contractual instruments used in the market-based method for Scope 2 accounting shall:</li> <li>Convey the direct GHG emission rate attribute associated with the unit of electricity produced.</li> </ol>	To make sure that the contractual instruments (REGOs) presented against the electricity supplied detail the fuel source from which the unit of electricity was produced. The emission rate attribute is then to be reported by fuel type as defined by the Fuel Mix Disclosure Act (2005).	Good Energy will only purchase electricity that has been generated by a renewable technology that is eligible to receive REGOs (UK contractual instruments which explicitly state the renewable fuel source of the generation).
<ul> <li>2. All contractual instruments used in the market-based method for Scope 2 accounting shall:</li> <li>Be the only instruments that carry the GHG emission rate attribute claim associated with that quantity of electricity generation.</li> </ul>	The contractual instrument (REGO) should be used as the sole proof of the GHG emission rate associated with that unit of electricity that has been supplied. As defined in the Fuel Mix Disclosure Act (2005)	Good Energy will redeem one REGO per equivalent MWh of electricity supplied to its customers.
<ul> <li>3. All contractual instruments used in the market-based method for Scope 2 accounting shall:</li> <li>Be tracked and redeemed, retired, or cancelled by or on behalf of the reporting entity.</li> </ul>	To ensure that contractual instruments (REGOs) are redeemed against electricity supplied in the corresponding disclosure period, under the existing Fuel Mix Disclosure regulatory process.	Good Energy will redeem one REGO per equivalent MWh of electricity supplied to its customers against the corresponding disclosure period.
<ul> <li>4. All contractual instruments used in the market-based method for Scope 2 accounting shall:</li> <li>Be issued and redeemed as close as possible to the period of energy consumption to which the instrument is applied.</li> </ul>	The contractual instruments (REGOs) retired as part of the Fuel Mix Disclosure process must relate to electricity supplied during the corresponding disclosure period.	Good Energy will follow the process defined by the FMD Act (2005) to retire REGOs against the appropriate disclosure period.
<ul> <li>5. All contractual instruments used in the market-based method for Scope 2 accounting shall:</li> <li>Be sourced from the same market in which the reporting entity's electricity-consuming operations are located and to which then instrument is applied.</li> </ul>	As per the Fuel Mix Disclosure Act (2005) contractual instruments from the EU and UK (GoOs and REGOs respectively) can be used as proof of fuel source against units supplied in the UK market. Good Energy interprets the 'market' as UK only. All electricity supplied will be backed by (REGOs) sourced from the United Kingdom only.	All electricity supplied by Good Energy will be backed by (REGOs) sourced from the United Kingdom (excluding Northern Ireland) only.
6. In addition, utility-specific emission factors shall:	As per the Fuel Mix Disclosure Act (2005), all delivered electricity volume that is not backed by	Good Energy will only purchase and supply electricity that has been generated by a renewable

Be calculated based on delivered electricity, incorporating certificates sourced and retired on behalf of its customers. Electricity from renewable facilities for which the attributes have been sold off (via contracts or certificates) shall be characterized as having the GHG attributes of the residual mix in the utility or supplier-specific emission factor.	relevant contractual instruments (REGOs) should be reported as the utility-specific emissions factor. Where a utility backs 100% of its supply volume with relevant contractual instruments associated with renewable sourced electricity (REGOs), its utility-specific emissions factor will be zero.	technology that is eligible to receive REGOs, thereby ensuring that the utility-specific emissions factor for Good Energy will always be zero GHG emissions under the Scope 2 Quality Criteria.
7. In addition, companies purchasing electricity directly from generators or consuming on-site generation shall:	N/A As defined by the Fuel Mix Disclosure, Good Energy will only retire REGOs against electricity that it has supplied.	N/A As defined by the Fuel Mix Disclosure, Good Energy will only retire REGOs against electricity that it has supplied.
Ensure all contractual instruments conveying emissions claims be transferred to the reporting entity only. No other instruments that convey this claim to another end user shall be issued for the contracted electricity. The electricity from the facility shall not carry the GHG emission rate claim for use by a utility, for example, for the purpose of delivery and use claims.	The consumer is responsible for the contractual instruments relating to electricity purchased directly or from its own on-site generation.	
8. Finally, to use any contractual instrument in the market-based method requires that: An adjusted, residual mix characterizing the GHG intensity of unclaimed or publicly shared electricity shall be made available for consumer Scope 2 calculations, or its absence shall be disclosed by the reporting entity.	N/A The annual Fuel Mix Disclosure submission details both the volume of electricity supplied and the sufficient number of REGOs to cover 100% of the supply. 100% of Good Energy's supply is matched by REGOs, therefore there is no requirement to report residual emissions mix.	Good Energy will only purchase and supply electricity that has been generated by a renewable technology that is eligible to receive REGOs, thereby ensuring that the utility-specific emissions factor for Good Energy will always be zero GHG emissions under the Scope 2 Quality Criteria.

## Section 6: Good Energy's Basis of preparation for the reporting of the Green Gas carbon neutrality promise

Unlike the electricity market, which is regulated under the fuel mix disclosure regulations 2005, the supply of Green Gas is voluntarily subject to carbon neutrality assertions made by Good Energy:

Good Energy therefore voluntarily requires that instruments must conform to the following criteria in order to fulfil the carbon neutral Green Gas assertion

- Contractual evidences or proofs of biogas production which evidence the source, attributes and claim to a specific unit of biogas produced. For biogas produced in the UK, this refers to green gas tracking instruments such as Renewable Gas Guarantees of Origin ("RGGOs") or. Biomethane certificates ("BMCs").
- 2. Verified carbon emission reduction certificates must be from certified schemes.
- 3. Although a proportion of the Green Gas may comply with the GHG Protocol Scope 2 Quality Criteria, the carbon neutral Green Gas promise does not confer any renewable energy benefits of the RGGOs, BMCs, or any other carbon credits/offsets to the end user. Therefore, the CO<sub>2</sub> emissions factor for Green Gas will be as that of standard UK ("brown") natural gas.

## Section 6A: Outline of Good Energy's processes and calculations for the reporting of the Green Gas carbon neutrality promise

- 1. Evidence of biomethane purchases:
  - a. For all sources, Good Energy accounts for biomethane purchases as being evidenced by the use of RGGOs or BMCs as approved under the Green Gas Certification Scheme (GGCS) or the Biomethane Certification Scheme (BMCS).
  - b. A RGGO has a shelf-life of 1185 days (3 years and 3 months) after the 1st of the month that the gas injection quarter ends. Good Energy will on occasion use RGGOs for compliance purchased in previous years.
- 2. Supply data:
  - a. Total gas supplied within the disclosure period is determined as the total therms supplied to us by our contract partner.
- 3. Evidence of voluntary offsets:
  - a. All offsets will be backed up by carbon emission reduction certificates held on an approved registry and will be shown to have been retired for the benefit of Good Energy for the purposes of offsetting the emissions relating to any standard UK ("brown") natural gas.
  - Emissions from brown gas will be calculated in accordance with the recommendations of BEIS using the annually published UK Government GHG Conversion Factors for Company Reporting

## Section 7: Verified figures for Good Energy's Renewable Brand and Green Gas Promise Assertions 2021-2022

Green Gas - Compliance Period 01/04/2021 to 31/03/2022	Verified Data	Unit
Demand	458,213	MWh
Green Gas Compliance Demand (10% Biomethane)	45,821	MWh
Biomethane Traded	48,337	MWh
RGGOs Retired	48,337	MWh
RGGOs from Previous Compliance Period	510	MWh
Surplus RGGOs from Current Compliance Period	2,516	MWh
Tonnes CO2e (Brown Gas)	75,534	tCO <sub>2</sub> e
Carbon Offset Contracted and Issued	79,681	tCO <sub>2</sub> e
Carbon Offset (VERs) Retired	79,681	tCO <sub>2</sub> e
Surplus VERs	4,147	tCO <sub>2</sub> e

The table below outlines the data that have been verified for the period April 2021 – March 2022.

Electricity - 01/04/2021 to 31/03/2022	Verified Data	Unit
Demand	675,192	MWh
REGOs redeemed	706,966	MWh
Surplus REGOs	31,774	MWh

Fuel Mix - 01/04/2021 to 31/03/2022	REGO Certificates Redeemed MWh	%
Biogas	288,596	41%
Hydro	28,948	4%
Wind	327,886	46%
Solar	61,266	9%
Total	706,696	100%

### **Section 8: Good Energy's Definitions**

### **Contractual Instruments**

The WRI sets out the GHG Protocol as guidance for all markets around the world. As each market differs as to what documentation is provided to detail the source of electricity generation, 'contractual instruments' includes energy attribute certificates (including REGOs – the contractual instrument for renewable energy in the UK), direct contracts, supplier/utility-specific emission rates, and other default emission factors.

Good Energy interprets the contractual instruments relating to renewable electricity in the UK under the WRI GHG Protocol Scope 2 Guidance (2015) to refer to, GOs, RGGOs and REGOs

### **Emission Rate**

Emission rates document the greenhouse gas emissions associated with a supply of electricity. Expressed in metric tons per MWh or kWh.

### **Renewable Energy Guarantees of Origin (REGOs)**

The contractual instrument used in the UK to verify that electricity has been produced from a renewable source of generation. One REGO represents one megawatt hour of electricity generated from an eligible technology, as defined by Ofgem.

Under our interpretation of the WRI GHG Protocol Scope 2 Guidance, REGOs are the contractual instrument used to verify the zero greenhouse gas emissions rate of the electricity supplied to our customers.

### Renewable Gas Guarantees of Origin (RGGOs)

The contractual instrument used in the UK to verify that gas has been produced from a renewable source of generation. One RGGO represents one kilowatt hour of biomethane injected into the grid and registered with the Green Gas Certification Scheme (GGCS).

### **Guarantees of Origin (GoO)**

The EU equivalent of the Great Britain-sourced REGOs. EU GoOs can be used as part of a suppliers Fuel Mix Disclosure in Great Britain where the electricity has been imported and supplied in Great Britain and the GoO has not been used as evidence of fuel mix outside Great Britain.

Good Energy only sources power from renewable sources of electricity generation in Great Britain, therefore GoOs are not used as contractual instruments under our interpretation of the WRI GHG Protocol Scope 2 Guidance.

### **Disclosure period**

The 12-month period from 1 April to 31 March as defined by The Electricity (Fuel Mix Disclosure) Regulations 2005.

### Supplier or utility-specific Electricity emission factor.

As part of the calculation, the utility or supplier should disclose whether and how certificates are used in the emission factor calculation, unless there is third party certification of the utility product. The utility or supplier-specific emission factor may be for:

- a. A standard product offer or;
- b. A differentiated product (e.g. a low-carbon power product or tariff).

Every unit of electricity supplied by Good Energy is backed by a REGO to provide a utility-specific emissions factor of zero.

### **Residual Energy Mix**

In the UK, suppliers present REGOs to the Department for Energy and Climate Change (DECC). DECC then removes all claimed generation from the overall national average, which leads to the production of a 'residual' energy mix—with an associated emissions factor. This is issued to all suppliers so that they can complete their calculations for any of their supply without certificates. This combination of verified supplier claims and allocation of the remaining emissions back to suppliers ensures consistency across suppliers and accounting for all generation emissions.

As every unit of electricity supplied by Good Energy is backed by a REGO, Good Energy does not need to apply the residual Energy Mix to its utility-specific emissions factor calculation.