

WHEN IT COMES TO *ENERGY*,



The vision of Good Energy's
CEO Juliet Davenport



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SMALL REALLY IS
BEAUTIFUL

HEATING & HOTWATER INDUSTRY COUNCIL

Juliet Davenport is the founder of the UK's only 100% renewable electricity supplier, Good Energy. The company works with over 4,000 small and medium-sized independent green generators and supplies green electricity to over 27,000 domestic and business customers throughout the UK. With a mission to empower individuals to make a difference to climate change, it has a strong track record of innovating in the energy industry. It owns a wind farm in North Cornwall, and plans to add 50 MW of new onshore wind capacity in the next five years – enough to power the homes in a city about the size of Cambridge.

As Juliet explains, "Good Energy has a vision for a decentralised and democratic energy network for the whole of Britain. Energy does not need to be complex and mysterious, delivered by large, remote corporations. Our experience shows that it can be made by ordinary people, businesses and communities, throughout the UK, giving us greater independence and greater energy security. When it comes to energy, small really is beautiful."

Juliet's interest in climate change began as a student at Oxford University. Studying atmospheric physics she saw first-hand how sensitive climate systems were to changing densities of gases in the atmosphere. She went on to do a Masters' degree in economics and environmental economics at Birkbeck College, London. This was followed by a spell working in European Parliament before entering the private sector and founding the company which would become Good Energy.

This background was to inform her approach to business: "I want to change the way the corporate and political world manages our energy; ensuring that a future world is one where energy is priced according to its environmental costs as well as its direct costs. The world economy has developed around energy being cheap and plentiful, but we need to start considering it a precious resource rather than wasting it. Our experience shows that when people understand where their energy comes from they value it more and use it less."

Climate change is principally an energy problem – burning fossil fuels to generate energy accounts for 74% of man-made greenhouse gas emissions. Juliet could see that it was very difficult to change the energy industry from the outside and little was happening on the inside. Setting up a green electricity

supply company was a way to empower individuals to make a difference by choosing to switch to a 100% renewable electricity supply, and set a benchmark for how the UK could source its energy from renewables.

"I set up Good Energy to be a catalyst for change in the energy industry. At that time it was an untrodden path – there was almost no renewable energy in the UK and there was little experience of setting up independent power suppliers. By choosing a 100% renewable electricity supply, people can connect with the innovative, independent pioneers who are generating energy from wind, water and sunlight."

Since the company was founded in 1999, it has effected real change in the industry. Now every supplier offers a 'green' tariff – although Good Energy remains the only one whose fuel mix is 100% renewable. It also pioneered rewards for independent green generators, and now leads the industry with its Feed-in Tariff services, with a market share of 8% and rising.

Good Energy recently took the UK's first commercial wind farm at Delabole in Cornwall into its second generation, replacing ten old turbines with four new ones, increasing output by roughly two and a half times creating a total capacity of 9.2MW - enough to supply roughly 7000 homes. The wind farm now accounts for around 20% of its electricity. In another industry first, the company has been working with over 40 new larger solar PV generators and will be sourcing around a third of its electricity from solar power.

While energy costs have been hitting the headlines lately, for all the wrong reasons, Good Energy has managed to buck the rising price trend by implementing a price freeze until at least 2012. The company hasn't actually raised its prices since 2008, so

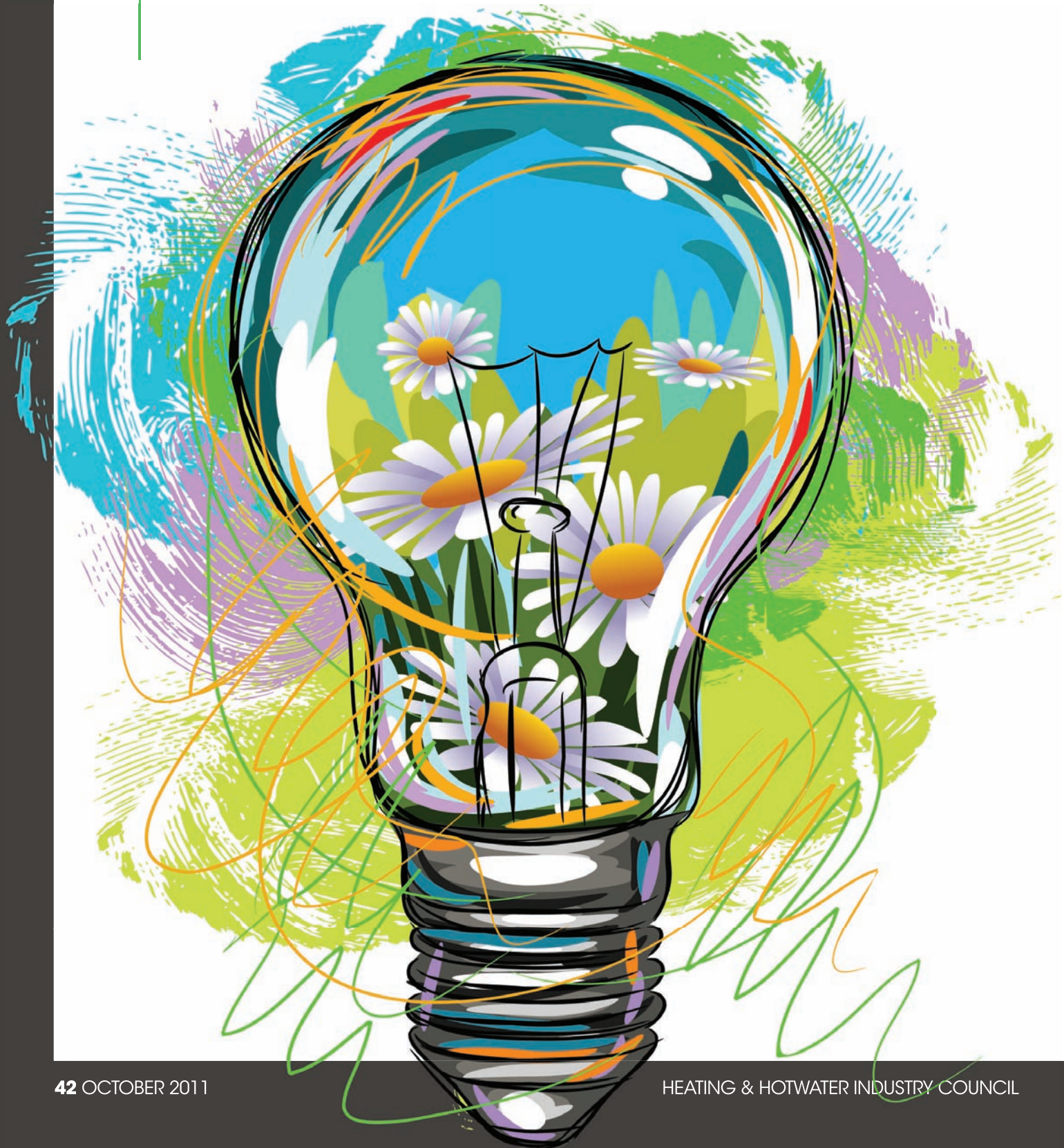
it's never been a better time price-wise to switch to green power. Good Energy is now undercutting its biggest rivals on their standard tariffs.

There's a sense that Good Energy's moment has come. "It's a very exciting and dynamic time to be involved in energy. A combination of fuel prices, politics and the growth in renewables means there are fantastic opportunities for the business right now. Good Energy is about so much more than just being an energy supplier: we campaign, collaborate and innovate. Our work encompasses many aspects, from forecasting how much power to buy on a daily basis according to the weather, to supporting our microgenerators and continuing to provide "real people" customer service."

One thing that gets Juliet particularly excited is talking about the role government and policymakers have in the UK's energy future. She spends a lot of time meeting MPs and government ministers to advise them about the changes the government needs to make to ensure a lower carbon and secure energy system, based on renewables. The company also works closely with key campaigning partner organisations, such as Friends of the Earth, to lobby for change.

"The traditional approach to energy is clearly broken and needs fixing. We need to move towards a decentralised energy market which can provide the UK with resilience against price volatility caused by relying on energy imported from abroad. The recent price hikes we've seen from the Big Six are a sign of that reliance, as 60% of our energy is currently imported. Government policy is currently presenting some big challenges particularly with Electricity Market Reform and getting this right now will be key to ensuring that the

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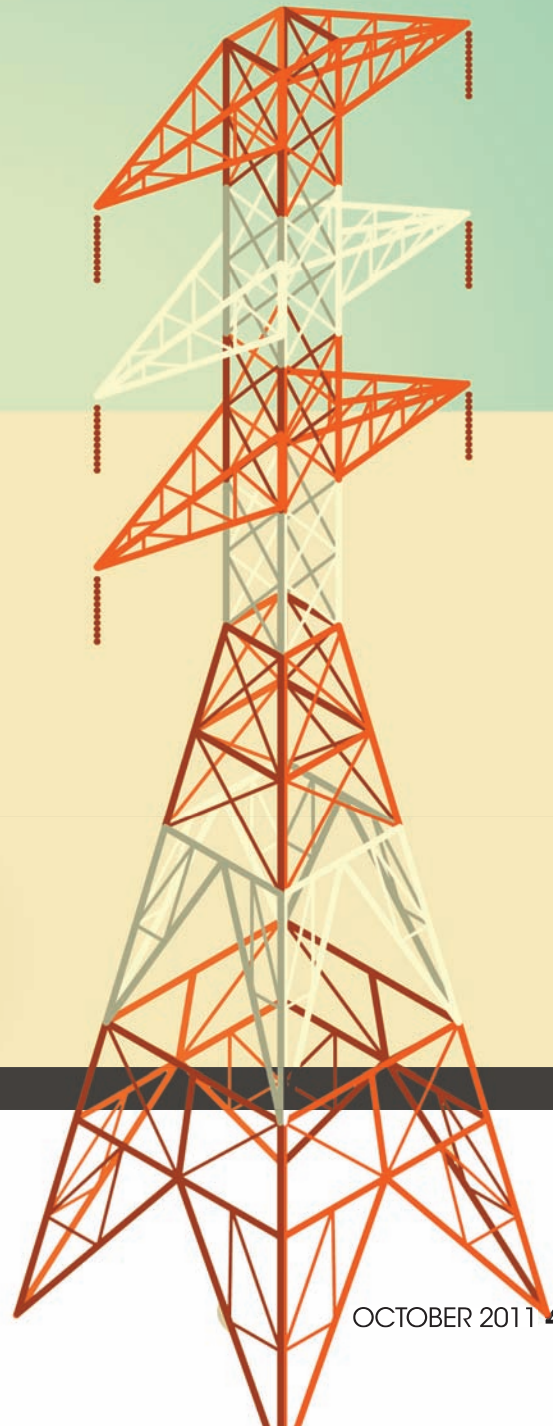
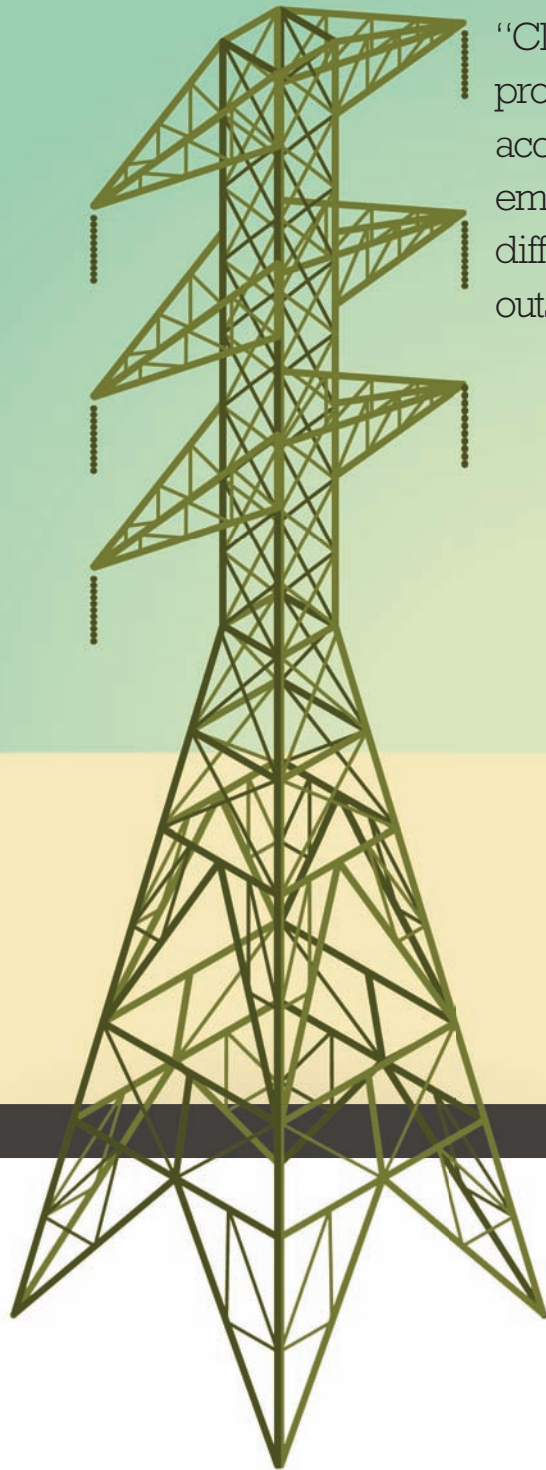
technologies of the future for the UK - tidal, wave and geothermal - will be part of our fuel mix in the future.”

So, what next for Juliet and Good Energy? It's looking at opportunities presented by the government's Renewable Heat Incentive (RHI) and the Green Deal

– and doing for heating what they've achieved for electricity. Heat accounts for the biggest use of energy in the UK. Just under half of the UK's CO2 emissions and 60% of domestic energy bills are due to heating space and water. Currently less than 1% comes from renewable sources.

The RHI is something Good Energy understands, having pioneered its own version in 2008, called HotROCs – a payment the utility makes to its customers who installed solar thermal panels. So it was natural that when the government launched its consultation

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into its own RHI scheme it would be interested in what Good Energy had to say.

Juliet explains: "As the only utility to have pioneered and delivered an RHI ourselves, Good Energy has worked hard to convince the government of the difference an RHI would make to improving the take-up of renewable heat technology and cutting the UK's carbon emissions. An effective RHI is an essential step towards a low-carbon future, and could boost renewable heat to as much as 12%."

It all comes back to Juliet's ambitious vision for the future – a future in which all

the energy powering the UK comes from renewable sources. "In the UK of 2050, even with transformation in consumer behaviour and smarter technology in our homes and businesses, we are expecting electricity demand to double as transport and heating are electrified. But we can meet that new demand with renewables. As the windiest country in Europe, and with over 11,000 miles of coastline we have renewable resources that are not only abundant, but free. The UK has a lot of catching up to do to bring us in line with the rest of Europe. We currently generate only

2.2% of our power from renewables. Compare this with 44.4% in Sweden, 11% in France, and 9% in Germany. We also need to change how energy is used in the UK. For too long we have taken for granted that at the flick of a switch, the lights come on and we don't think about where it comes from. We need to inform people about the provenance of their energy, because when people understand it they will value it more and use it less."

If Good Energy's track record is anything to go by, it's a vision that could well become a reality.



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