Consumer confidence in renewable energy tariffs must be addressed

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Comparison site Choose has found consumers are increasingly losing confidence in renewable tariffs, with the recent energy price hikes highlighting widespread confusion about why renewable tariffs are increasing in line with fossil fuel tariffs. This discrepancy is currently baked into the UK energy system, leading to disillusionment with the concept of green tariffs and risking the future success of the UK's net zero goals.

For the green energy market to truly work for customers, the link between pricing for renewables and pricing for fossil fuels must be broken. Customers who actively chose renewable tariffs do not understand why they should face the same price increases as those on traditional tariffs, and this confusion risks undermining the very real need to invest in green projects here in the UK.

While the Government is focused on reducing dependency on international fossil fuels through investment in renewables, it is important to ensure that consumer confidence in the value of renewable tariffs is maintained.

In addition, it is clear the practice of using Renewable Energy Guarantee of Origin (REGO) certificates to back-up green electricity claims is causing serious issues for the UK energy market. Buying REGOs on the open market means there is little incentive for suppliers to invest directly in renewables generation or to work directly with independent generators to add extra renewables capacity here in the UK. REGOs are a legal quick-fix that benefit some suppliers but ultimately damage the energy market as a whole.

It is therefore more important than ever to recognise which energy suppliers are offering truly green tariffs and to help customers identify which providers directly invest in more renewable energy projects.

With this in mind, Choose is pleased to announce the greenest energy providers as part of the Choose Green Energy Awards 2022.

While many energy providers claim to offer green tariffs and renewable electricity, the 2022 Awards sought to highlight which suppliers are pursuing a holistic approach to green energy rather than offering single specialist tariffs that may be removed or adapted.

The Awards recognised the following three energy suppliers are the greenest providers in the UK:

- Ecotricity
- Good Energy
- Green Energy UK

These providers operate their own renewable energy supply or work directly with independent generators to purchase renewable energy at source. All of them are transparent about their renewable policies and actively invest in the future of UK renewables.

All three suppliers have received special dispensation from regulator Ofgem to price their tariffs above the default energy price cap due to their investment in renewable energy.

However, the 2022 Awards also spotlighted three bigger suppliers who are bound by the energy price cap and yet demonstrate their commitment to renewables:

- E.ON Next
- Octopus Energy
- Scottish Power

These three companies operate their own renewable electricity infrastructure including wind and solar farms, focusing on adding to the renewable capacity of the UK rather than relying on 'greenwashing' techniques to appear greener than they are.

Lyndsey Burton, MD of Choose.co.uk, said: "The Choose Green Energy Awards 2022 recognise suppliers who approach green energy as more than just a label on their website or a box to tick. Our Excellent suppliers are small energy companies who embed green policies into every part of their

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organisations, investing in more renewables to help the UK cut out fossil fuels.

“It’s clear there’s a crisis of confidence among energy customers, many of whom feel conned into believing that green tariffs would equate to cheaper bills. While the structure of the energy system in the UK needs to change to address this, it’s important to point out to customers which suppliers are working hardest on renewables to allow them to make informed choices now.

“If we are to reach our net zero goals, customers must be able to understand the energy market far more effectively than they can today. As the Government looks to promote more investment in renewables to combat international pressure on fossil fuel supplies, it’s vital customers are not forgotten.”

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