



# Be Blue | a guide

Show your business has made a responsible choice for its electricity supply



## OVERVIEW

Thank you for choosing **Blue for Business** from **EDF Energy**, guaranteeing your electricity supply is backed by low-carbon generation<sup>(1)</sup>, at the same price as our standard electricity.

You've made an environmentally informed choice for your electricity supply and we'd like to help you make the most of it.

This guidance is designed to help you determine how you may wish to present your business's electricity choice to whoever is interested – customers, employees or investors. It reflects global best practice for reporting carbon emissions from electricity purchases – the Greenhouse Gas Protocol (The GHG Protocol). This requires you to disclose the emissions associated with your energy contract alongside more general information about the emissions related to your location.

And it's important to use the right words to explain why you've chosen an electricity supply that is backed by low-carbon generation and what that choice does for your company's carbon emissions. Using the right language could help enhance your business' reputation. Making exaggerated claims can harm it.



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We have structured this guide around the three main points of guidance from The GHG Protocol:

1. Describing your carbon emissions associated with your electricity supply contract Page 2
2. Being sure the claim reflects the contract you have chosen Page 5
3. Other information for your stakeholders Page 7

### Conditions of use

- Your business agrees only to display that its electricity supply is backed by low-carbon generation while it has a live Blue for Business contract with EDF Energy.
- Your business can use this material in company literature, buildings, website, clothing, reports and similar.
- If you are going to use this in advertising, you agree to send artwork to EDF Energy for sign off. Please discuss your request with your EDF Energy relationship manager.
- EDF Energy has taken reasonable steps to ensure the guidance is accurate within the contexts that it has given.
- The guidance is based on information that is correct at time of publication. It was last updated on 8 April 2015.
- EDF Energy accepts no liability for your use of the statements set out in the guidance.

*(1) Low-carbon electricity purchased for Blue is supplied into the national grid. Blue customers receive electricity via the national grid, not directly from low-carbon nuclear generators.*

## 1

## DESCRIBING YOUR CARBON EMISSIONS ASSOCIATED WITH YOUR BLUE ELECTRICITY SUPPLY CONTRACT

Best practice in carbon reporting states that there are two ways in which you should describe the carbon emissions associated with your electricity supply.

- Market based figure: Showing the emissions from the specific contract you are on with your supplier; reflecting the choices that you have made as an organisation.
- Location based figure: Showing the emissions that are produced, on average, by all electricity generation in your country; reflecting your organisation's location.

Together these figures are designed to give a rounded picture of your organisation's carbon emissions. Organisations don't always have a great deal of control over their location, so your choice of energy contract can be an important indicator of how environmentally aware you are in the context of energy.

There are three main ways carbon emissions associated with Blue could benefit your business.

### a) Impress your customers and employees

### b) Score in tenders

### c) Enhance your Annual Report

#### a) Impress your customers and employees

*Research shows more than half of UK consumers say they are more likely to be loyal to companies that take steps to reduce their carbon emissions<sup>(2)</sup>.*

Sustainability could also help your employees feel better about where they work.

So show them that you've made a responsible choice for your electricity supply.

To help with this, we're providing you with access to a Blue for Business label that you can display in public places such as retail and reception areas and on your website. It shows you've chosen an electricity supply backed by low-carbon generation.

You can download copies of the label at [edfenergy.com/be-blue](https://edfenergy.com/be-blue)

#### Copies of the label include:

1. Digital images of our Blue label for use in presentations and websites
2. A printable version of our Blue label – set up for Avery labels (medium 40mm E3613 and large 60mm L7104REV-20)
3. A printable certificate style statement that provides some context around your choice of electricity supply



(2) Source: Research conducted on behalf of the Carbon Trust Standard Company by Vanson Bourne during February and March 2011. Opinions were sourced from 1,000 adults across the UK.  
[www.carbontrust.com/news/2011/07/consumer-demand-for-lower-carbon-lifestyles-is-putting-pressure-on-business](http://www.carbontrust.com/news/2011/07/consumer-demand-for-lower-carbon-lifestyles-is-putting-pressure-on-business)

## b) Score in tenders

*8 out of 10 of FTSE 100 companies said that they consider suppliers' carbon emissions in their procurement process<sup>(3)</sup>.*

So when you next try sell your goods or services to a large business, expect to find questions about your approach to sustainability and reducing your carbon emissions in Invitations To Tender and Pre-Qualification Questionnaires.

Here is a typical question and a way you may wish to consider using your electricity supply choice to help improve your answer to it.

**Q:** Tell us about how you demonstrate a progressive approach to sustainability and climate change.

**A:** As part of our carbon management approach, we choose low-carbon options whenever possible. For our electricity supply, we have chosen Blue from EDF Energy. This ensures that the electricity we use is matched by an equivalent amount from a low-carbon source of generation: nuclear energy.

Or

**A:** As part of our carbon management approach we have worked with our energy supplier to ensure that for all power we do not generate ourselves the electricity we use is matched by an equivalent amount from a low-carbon source of generation: nuclear power. This is in line with the criteria laid down by the World Resources Institute (WRI) for 'market based' calculations in their new guidance on reporting emissions and helps further demonstrate how we are committed to keeping up with global best practice in carbon management.

(3) Source: Carbon Reporting Performance of the FTSE 100, Carbon Clear, September 2014  
[www.carbon-clear.com/resource/news/ftse-100-carbon-reporting-research-published/](http://www.carbon-clear.com/resource/news/ftse-100-carbon-reporting-research-published/)

### c) Enhance your Annual Report

Investors looking for long term returns typically look at more than just financial data to help decide whether or not to invest in a particular company. To help assess whether the business models they rely upon for their returns are sustainable over the long term investors may also consider a company's approach to environmental, social and governance issues.

So you may wish to include in your Annual Report a statement like the example below to provide some detail about your electricity supply choice. Your story is even stronger if you can supplement that statement with evidence you're also taking action to use energy more efficiently.

*As part of our carbon management approach we have worked with our energy supplier to ensure that for all power we do not generate ourselves the electricity we use is matched by an equivalent amount from a low-carbon source of generation: nuclear power. This is in line with the criteria laid down by the World Resources Institute (WRI) for 'market based' calculations in their new guidance on reporting emissions and helps further demonstrate how we are committed to keeping up with global best practice in carbon management.*

You could also include details of your carbon emissions data for electricity, in your annual report, clearly showing the market and location based figures. This example shows how these figures might be displayed by an organisation using 10GWh in a year.

Activity data per reporting period		Emission factors	Calculated emissions
Facility	Volume of Electricity (GWh)	CO2 emission rate (g/kWh)	CO2 (tonnes)
UK facilities (Market-based)	10	0	0
UK facilities (Location-based)	10	494	4,940

Based on 2013/2014 data

# 2

## BEING SURE THE CLAIM REFLECTS THE CONTRACT YOU HAVE CHOSEN

The GHG Protocol Scope 2 guidance requires companies to check their electricity supply meets eight quality criteria.

We've set out below a summary of how we believe that Blue for Business addresses that criteria:

The GHG Protocol Scope 2 Quality Criteria	EDF Energy's evidence
<p><b>All contractual instruments used in the market-based method for scope 2 accounting shall:</b></p>	
<p>1. Convey the direct GHG emission rate attribute associated with the unit of electricity produced</p>	<p>EDF Energy only uses instruments that have been explicitly designed to convey the energy attribute of the power supplied.</p>
<p>2. Be the only instruments that carry the GHG emission rate attribute claim associated with that quantity of electricity generation</p>	<p>More specifically EDF Energy only uses the instruments that exist as a consequence of the EU Regulations on Fuel Mix Disclosure. In the case of Blue for Business this means using Generator Declarations (GDs), from EDF Energy's nuclear power stations.</p>
<p>3. Be tracked and redeemed, retired, or cancelled by or on behalf of the reporting entity.</p>	<p>The instruments used to verify where EDF Energy's power comes from only relate to the period in which it was generated (ie the output date of the asset is within the disclosure period).</p>
<p>4. Be issued and redeemed as close as possible to the period of energy consumption to which the instrument is applied.</p>	<p>As a result, they are only valid in relation to that period and cannot be presented in relation to another time.</p> <p>EDF Energy's processes, to track eligibility of all Fuel Mix Disclosure instruments, are independently validated each year by PwC (<a href="https://edfenergy.com/blueassurance">edfenergy.com/blueassurance</a>)</p>
<p>5. Be sourced from the same market in which the reporting entity's electricity-consuming operations are located and to which the instrument is applied.</p>	<p>The instruments EDF Energy uses to verify the source of the power supplied to customers are those accredited by Ofgem for UK supply.</p>

**In addition, utility-specific emission factors shall:**

6. 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.

The emissions factors for all EDF Energy supply mixes are calculated and reported according to the Fuel Mix Disclosure regulations. EDF Energy’s processes and calculations are overseen by Ofgem and the Department of Energy and Climate Change and compliance is a condition of EDF Energy’s Supply Licence.

EDF Energy also validates all processes and controls with an independent audit by PwC. Their report for Blue for Business is available at [edfenergy.com/blueassurance](https://edfenergy.com/blueassurance).

**In addition, companies purchasing electricity directly from generators or consuming on-site generation shall:**

7. 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.

EDF Energy’s controls to ensure accurate transfers of emissions claims for use by individual customers are independently checked by PwC. Customers using EDF Energy’s Blue for Business supply mix can access PwC’s report at [edfenergy.com/blueassurance](https://edfenergy.com/blueassurance).

**Finally, to use any contractual instrument in the market-based method requires that:**

8. 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.

EDF Energy publishes the GHG intensity for its total supply as well as the three supply mix choices for customers – Blue, Renewable and Residual (or Standard). All four figures are published at [edfenergy.com/fuel-mix](https://edfenergy.com/fuel-mix) and the controls to ensure these figures are accurate are audited by PwC.

# 3

## OTHER INFORMATION YOUR STAKEHOLDERS MAY ASK YOU FOR

These are the three most common questions we're asked by energy buyers and sustainability people in large companies. So here are our responses to some frequently asked questions:

### a) ADDITIONALITY

**Q:** Does the choice to buy Blue for Business lead to more low-carbon electricity being produced?

**A:** We're very clear about this. Our answer is "No, not in the short term."

Customers buying Blue for Business does not directly create more low-carbon generation, because it does not significantly influence the financial case for investment in new generation.

We believe customers being more engaged with the source of their energy, and creating long-term demand for low-carbon electricity, can only be a good thing.

But customers should not make any claims that their purchases have led to additional sources of low-carbon generation being built.

### b) ELECTRONS

**Q:** Will the electricity supplied come directly from the nuclear power station?

**A:** The answer is of course "No".

There's a reason we say "electricity backed by low-carbon generation" in our literature, rather than simply "low-carbon electricity".

It's to be clear that customers receive the same power they always have done through the national grid, but that – in line with Fuel Mix Disclosure regulations – that power is matched with an equivalent volume of electricity generated from verifiable low-carbon generation, nuclear, being supplied into the national grid.

### c) VERIFICATION

**Q:** How can the source of an electricity supply be verified?

**A:** The formally recognised certificates that confirm the origin of a particular electricity source are the ones used under the UK's Fuel Mix Disclosure regulations.

These are:

- Renewable Guarantees of Origin (REGOs) for UK based renewables
- Guarantees of Origin (GoOs) for EU based renewables
- Generator Declarations for everything else

DECC only uses these certificates to confirm each electricity supplier's fuel label.

LECs (Levy Exemption Certificates) are principally a financial instrument related to the Climate Change Levy, not a tool to evidence renewable supply.



[edfenergy.com](https://www.edfenergy.com)

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