

Government to tighten rules to stop 'greenwashing' of electricity tariffs

- Government to review green electricity tariffs amid concerns energy companies could be exaggerating their environmental benefits
- ministers will consider whether there is currently sufficient clarity around where energy on bills comes from
- review comes as poll shows 75% of consumers believe suppliers should be more transparent over their green tariffs

How energy retailers market 'green' electricity tariffs to consumers will be reviewed by the government, amid concerns that some are overstating how environmentally friendly their products are, Energy Minister Anne-Marie Trevelyan has announced today (16 August).

9 million British households are now on green tariffs, with over half of all new electricity tariffs launched now badged as '100% renewable' or 'green'.

With more and more consumers looking to make a green switch and reduce their carbon footprint and the UK having more than quadrupled its renewable electricity generation since 2010, the government wants to ensure consumers signing up to a green tariff know their energy is coming from green sources of electricity generation.

The review launched today will explore the extent of 'greenwashing' in the retail energy sector, whether the current system is suitably transparent and whether the rules around what can be called a 'green' tariff remain fit for purpose.

Energy companies are currently able to market tariffs as 'green' even if some of the energy they supply to customers comes from fossil fuels, as long as this is offset by purchasing enough certificates called Renewable Energy Guarantees of Origin to cover their customer base. These determine the proportion of electricity that they source from renewable electricity generation.

Options being explored include looking at whether the system around these certificates needs to be smarter, as well as whether suppliers need to provide clearer information to households about their green tariffs, including type of renewable energy used (such as wind or solar), where the renewable power was generated and when.

The government is also publishing a separate call for evidence on third-party intermediaries in the retail energy market, such as price comparison sites, auto-switching services, and non-domestic brokers, with around half of households using them when engaging with the energy market. They currently operate outside of the retail market rules, and ministers will seek views on whether a general regulatory framework is needed.

Minister of State for Energy and Clean Growth, Anne-Marie Trevelyan, said:

Millions of UK households are choosing to make the green switch and more and more of our energy comes from renewables. But I want people to know that when they sign up to a green tariff, they are investing in companies that make a conscious choice to invest in renewable energy.

Part of that is ensuring companies are being as transparent as possible on where their power comes from. That way, every family in Britain can rest assured their choices are helping to contribute to our world-leading target of eliminating our contribution to climate change by 2050.

Nearly two-thirds (62%) of UK energy consumers say their purchasing decisions are influenced by how eco-friendly an energy tariff is. However, 75% believe suppliers should be open and transparent about their tariffs, including how much of their renewable energy they buy from other companies.

Consumer protection advocates and price comparison services have also called for greater transparency around suppliers who market their tariffs as green.

Head of Regulation at Uswitch.com, Richard Neudegg, said:

Transparency is key to bring consumers on the journey to net zero. Households want to do their bit to help the environment, so it's vital to make it as simple as possible for them to confidently pick the tariffs that actually help to support renewable energy.

More and more people are purchasing green tariffs but it's been difficult for bill-payers to know exactly what's under the hood of these deals. We support any measures that aim to demystify green tariffs for households.

The call for evidence on designing a framework for transparency of carbon content in energy products was promised in the [Energy White Paper](#). It seeks to gather information from consumer groups, energy suppliers, generators and industry bodies about the need for reform to the green tariff framework. It presents options on how things could change to become more transparent for consumers

Research of consumer attitudes comes from a YouGov poll that features in a Scottish Power and Good Energy report ['Come Clean on Green' \(2020\)](#)

Renewable Energy Guarantees of Origin (REGO) are issued to energy generators by the energy regulator Ofgem to certify that electricity has come from a renewable source. For a tariff to be badged as 'green' or '100% renewable', a supplier must be able to show evidence that they are in possession of enough REGO certificates to cover the energy consumed by customers on that tariff