

Interview & Words: **Heidi Moment**

Switching to green energy will save you money, reduce your impact on the environment and give you a USP in a crowded market place. Envirogy energy expert, Dom Napier, tells us all about it.

WHAT IS GREEN ENERGY?

Green energy is the colloquial term for renewable energy, which is electricity generated by a renewable source, such as tidal, wind, and solar.

WHY SHOULD WE GO GREEN?

Living more sustainably and cutting our impact on the environment is becoming more important all the time. It is ethically and morally the right thing to do to make sure the world is here for the next generation and the generation after that.

The good news is, for the first time since the Industrial Revolution, Britain is obtaining more power from zero-carbon sources than fossil fuels and over the past decade renewable energy usage has increased by 20%.

According to recent data for the first five months of 2019, 24% of the electricity produced in the UK now comes from renewable sources.

The rest comes from nuclear (18%), imports (6%) and biomass (5%), so fossil fuels now account for 47%, which is the lowest it has ever been.

This is a time for change and with technological advancements and the growing desire to be more green, it is possible to think we could hit the 50% mark in the next five to seven years, which would be amazing.

24% of UK electricity now comes from renewable sources



TENANTS WANT TO BE GREEN

Being more sustainable is extremely important to young people, who are championing the green cause all over the world. They don't want to 'inherit a diminished planet'. They want renewable energy and are making greener choices where they can.

Young tenants want to be able to say they live in a house that uses only green energy. We work with many landlords who find that being able to market their properties as 'green' helps them to fill rooms and entire houses as well as ticking their own environmental conscience.

Create a USP that appeals to younger tenants

HOW DOES IT WORK?

There are a lot of urban myths about green energy and perhaps people don't really understand how it works, often thinking if they have renewable energy such as solar, then if it's not sunny, their lights will go off. This isn't the case.



DOM NAPIER

Here's how it works:

All the energy produced goes into the national grid. If you imagine it as a funnel, all the electricity, whether it comes from renewable, traditional or nuclear sources goes in the top. Houses and businesses then draw off the grid. So whilst you can't guarantee that the electricity putting your lights on is renewable, you know that you're putting the renewable energy into that funnel at the top.

The more people purchase green energy, the more green energy is in the grid. The aim is to turn every household, and therefore the whole country green, and then we will hopefully start to reverse some of the impact and damage we've already done to the planet.



WHAT ABOUT GAS?

Gas is still gas, which isn't renewable, unfortunately. Although, there are now a number of companies offering carbon neutral gas that comes from gas fields in Norway or the North Sea. They calculate the carbon footprint of manufacturing and transporting the gas, and then offset that by investing in neutralising or offsetting their carbon footprint, through the plantation of trees somewhere on the planet. So the gas you purchase is 100% certificated carbon neutral gas.

WHO ARE THE MAIN SUPPLIERS OF GREEN ENERGY?

There are many suppliers of green energy, both electricity and gas, throughout the UK. Domestically the supplier that's gaining the greatest traction over the last 12 to 18 months is Pure Planet. They offer 100% renewable electricity and 100% carbon offset gas. They operate on domestic tariffs only.

Other suppliers include Tonik Energy, iSupply and Green Star Energy. And then in the commercial area you've got Engie, which is the largest energy player in Western Europe, and Corona have a green solution too.

WHAT ARE THE COSTS AND HOW DO THE SUPPLIERS COMPARE?

A decade ago renewable energy came with a premium price tag, but not any more. As with any technology, it becomes more competitive as it advances and we are now seeing renewable energy prices on a par and sometimes cheaper than traditional fossil fuel energy. It is also more constant, as opposed to fossil fuels, whose prices can flex quite a bit as the price of crude oil increases.

You might hear that "such and such" supplier is the cheapest in the UK, but it's not as simplistic as that. The pricing is based on consumption and location and is bespoke to everybody. So it really depends on where you are based and what you use.

Pricing is based on consumption and location

BESPOKE PACKAGES FOR LANDLORDS

Energy price increases can have a serious impact on a landlord's bottom line, especially if they have HMOs and are covering the bills. We can help landlords to find the best deals for their portfolio. We access the entire market, both domestically and commercially for gas and electricity, providing a 100% impartial offering to our clients. Our domestic side is Ofgem accredited and it's 100% open market.

Each package is bespoke. We work with clients to understand their motivation, then we procure the right energy at the right price, specifically for them. On top of that, we look at how they can change behaviours to reduce energy consumption, which can save even more money over time.

TARIFFS

We have both domestic and commercial tariffs, which is the type of contract. A homeowner would come under a domestic tariff, as would a rental property, although, if a landlord has several rentals there is the opportunity to put them under a commercial tariff too. The advantages of a commercial tariff is that you can fix the terms for considerably longer. A domestic tariff might last for 12 months, but with a commercial tariff some suppliers offer two years fixed, and some go up to five.

From a landlord's point of view, fixing your tariff brings complete stability and helps you to move away from the uncertainty of fluctuations and price increases.

SAVING ENERGY AND MONEY

There will always be a certain amount of energy wastage, whether that's in a business, your own home or a rental property. But there are steps you and your tenants can take to reduce your consumption and save money. Check out the savings below:

Energy Saving Tip	Saving
Turn appliances off at the plug	£30-80 a year
Turn your heating down by one degree (you probably won't notice the difference)	£75 a year
Set your heating to go off 30 minutes before you leave the house, so you're not paying for it to heat an empty house	£65 a year
Install thermostatic valves and programmers in each room, so you're only heating the room you spend most of your time in	£150 a year
Buy energy efficient appliances, an A+++ fridge freezer	£19 a year
An A+ electric oven uses 40% less energy than a B-rated oven	
Upgrade your boiler	£320 a year
Insulate your roof	£200 a year
Wash everything at 30 degrees	£52 a year
Switch to LED light bulbs	£35 a year
Use a washing up bowl	£25 a year
Turn off lights when you're not using them	£14 a year

When it comes to speaking to your tenants about their usage, it's about consistently reinforcing the messages of saving energy. Write it into your letting agreement. Installing a Hive or similar system allows people to monitor and turn things on and off remotely, which saves energy and is easy to use.

If you've got multiple properties that are comparable it would be useful to monitor the amount of energy that's being consumed, and if you've got a high consumer tenant you could actually say, "Look, at the moment you are using 25% more electricity than one of my other tenants. These are the things that they have embraced and are undertaking to reduce their energy bills."

It can be really powerful when a landlord can demonstrate that they are empathetic to their tenants' expenditure, and it can take your relationship to another level.

Fixing energy prices for 5 years provides stability

ENVIROGY RENEWABLE ENERGY GRANT

We also offer our commercial clients a non-repayable green energy grant to assist them in moving over to renewable energy.

BILL MANAGEMENT

Managing bills can be a huge hassle, especially if you've got a sizeable HMO portfolio. Dealing with energy companies can be time consuming and challenging, and let's face it, energy is a pretty dull and boring topic - definitely not the most exciting task on your to do list.

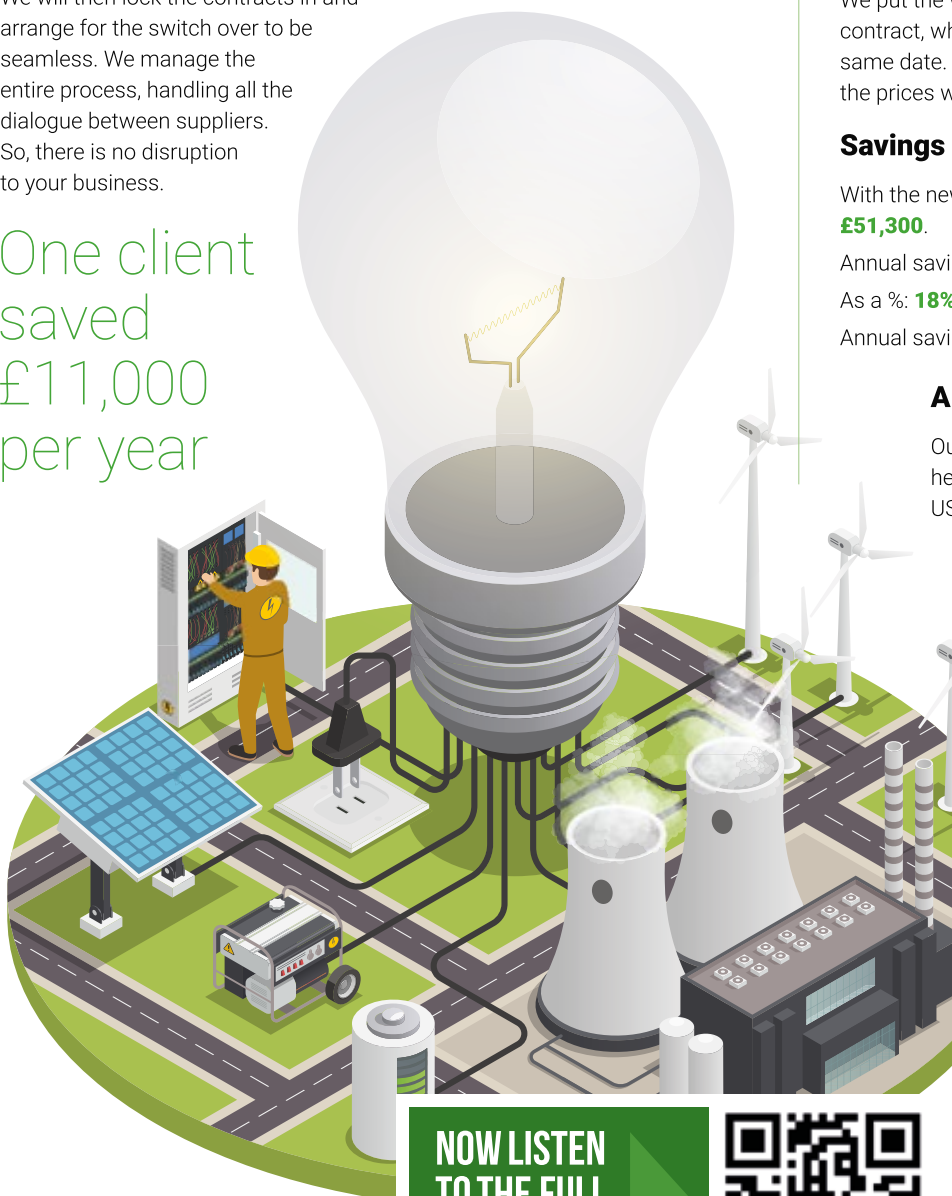
We offer our clients a complete outsourced energy management solution. We work with you to understand your portfolio, then we come back to you with a plan of what's best for the portfolio and what will save you the most. We then manage the communication, bill validation etc, depending on what the arrangement is within the letting agreement. We sort out the entire process from switching suppliers to ongoing management.

IT'S EASY TO SWITCH

Switching is easy. It's like switching to any other provider. We handle everything. We understand your requirements and we propose a number of different solutions. You choose the solution that's right for you and you can ask us any questions around that. Once you sign the agreement, that's pretty much where your activity ceases. We will then lock the contracts in and arrange for the switch over to be seamless. We manage the entire process, handling all the dialogue between suppliers. So, there is no disruption to your business.

One client
saved
£11,000
per year

Switching
is simple - we
manage the
whole process



NOW LISTEN
TO THE FULL
INTERVIEW

<http://bit.ly/2XNCFrm>

CASE STUDY

Client

A London-based residential landlord with 18 properties. The rental agreement was that the landlord paid for all bills, including broadband, phone, electricity and gas.

Problem

Managing 18 individual contracts was time consuming and problematic and was inhibiting their ability to grow as a business. Each property's energy contract had a different start and end date and it was becoming increasingly difficult to keep track of it. Several notifications had been missed, which is easy to do, and meant the tariff reverted back to the standard tariff, increasing the rate by 20 or 30%, making a significant impact on the bottom line.

Across the whole portfolio his energy was costing him £62,500 per year.

Solution

We started by switching all the properties over to renewable energy.

We put the whole portfolio on a 36-month code-terminus contract, which meant each property's tariff ended on the same date. That was huge relief for the client as it meant the prices were fixed, so the client had stability.

Savings

With the new tariffs we **reduced his yearly costs to £51,300.**

Annual saving: **£11,191**

As a %: **18%.**

Annual saving per property: **£621 a year**

A happy customer

Our client is happy. He's saving a lot of money, he's helping the environment and he's created a USP in quite a crowded market in London.

WILL YOU GO GREEN?

If you're interested in switching your portfolio to green energy, get in touch with Dom to discuss how:

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YPN SAYS

Have you used green energy or sustainable methods on any of your projects? If so, please get in touch. We'd love to share your story too. Please contact me at Heidi@yourpropertynetwork.co.uk for more information

