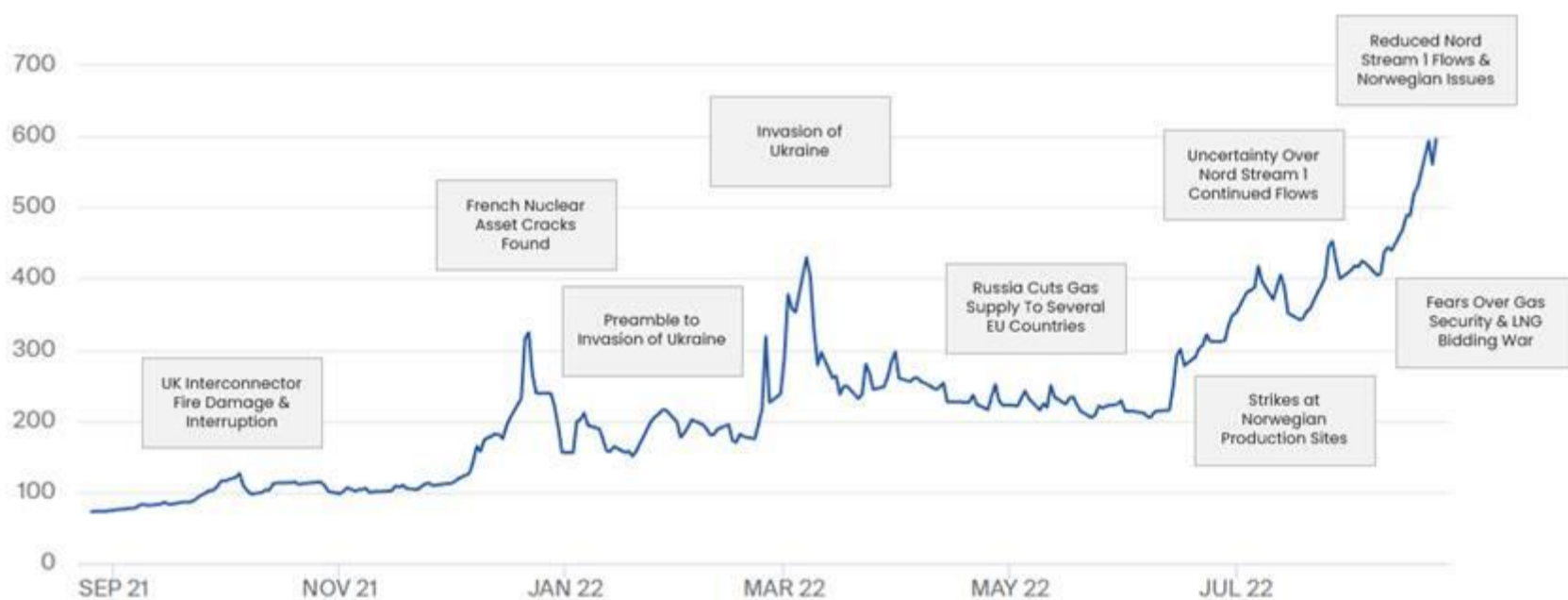




Welcome to the late summer issue of the Green Journey newsletter. Since our last newsletter back in May, as predicted, there have been further, more significant changes in the geopolitical environment and the energy markets, which have pushed energy prices even higher. This issue will provide an update on the current market conditions, our advice to clients, some handy energy saving tips to help keep your church bills down, as well as some relevant industry and environment news too.

The Energy Market

The current state of the wholesale energy market has been discussed in great depth since our last issue in mainstream media. The wholesale cost of electricity and gas has continued to increase since the last issue, driven by uncertainty over the Nord Stream 1 pipeline and ongoing Norwegian outages. We have added the key price drivers to the below 12-month market graph for the October 2022 UK natural gas futures market:



The UK has little gas storage and is reliant upon imports from the continent and LNG (liquefied natural gas which can be transported) imports. As we move through towards the winter period, we will see greater competition for LNG from countries that share a winter period with the UK and Europe - which will cause a bidding war and drive the price of LNG cargoes and natural gas prices higher. Natural gas prices are highly correlated with electricity prices as gas is used for the generation of electricity in the UK. Finally, should there be any interruption to imports from the continent or in LNG cargoes we expect to see wholesale prices reach record levels.

There is a great deal of misinformation going around at the moment, and we have addressed some common points below:

- There is no non-domestic price cap and wholesale prices change every minute of every day - anyone stating there is an October price increase is getting confused with the domestic price cap increase.
- There is currently no grant or scheme available to reduce the impact of price increases, however we expect to see some government intervention similar to that offered during the pandemic.
- Any electricity and gas contract agreed is not bought just at the day-ahead price but is made up of purchases on the many future markets going out several years. The future markets have less pressure upon them than short-term markets, which means longer term contracts offer a saving - averaging down the more expensive short-term markets with the lower cost future markets. Therefore, we recommend considering longer term agreements if suitable as the price falling is already 'priced in' to the quotation.

- We do not advise remaining out of contract in attempt to time the market. We are seeing out of contract electricity costs ranging from 80-140p/kWh and many suppliers are continuing to increase these as we move closer to winter. There is an inherent lag from some suppliers in increasing these prices, but the increase is inevitable.
- Although many suppliers have withdrawn their offerings from the market in response to market volatility, there are still options competitive available on the market.
- There are various projections on how long the high prices will continue for - with the IMF (International Money Fund) stating that prices were expected to remain high for several years.

Our Advice to Churches

With costs expected to peak again over the winter period, our advice to clients with contracts ending in the next 12 months is to **ACT NOW** and secure your renewals early, before prices get any higher. If you choose to wait and risk prices falling, then this could leave you with little time to manoeuvre out of deteriorating market conditions.

If you have not yet been contacted by Green Journey and would like to discuss your renewal options at this time, please contact your Energy Account Manager, Craig Hogg, on the details at the bottom of this newsletter.

Feature: Green Journey's Top 10 Energy Savings Tips

With energy costs at record levels and renewals coming in at more than double what you currently spend, many of our customers are facing the prospect of rising bills at church as well as at home. We know this can be a worrying time and we want to remind you of our top tips on how to keep an eye on your energy usage and save money too.

- 1) **Switch to a smart meter** – Having a smart meter installed will not only allow you to monitor your consumption, but it will also mean your energy supplier can provide an accurate bill for the energy you use. Smart meters are free to install, so if you don't already have one, get in touch and we can request this for you.
- 2) **Estimated readings** – With energy costs increasing, the last thing you want is an estimated bill. Estimated bills cost churches thousands of pounds and could mean you are paying for more energy than you have used. Ensure your meter readings are kept up to date to avoid any unwanted surprises!
- 3) **Block draughts** – Ensuring your church is free from draughts around windows and doors could save you money and will help improve the efficiency of your heating system.
- 4) **Switch to LED lighting** – Next time you need to replace a bulb, opt for an energy efficient one and it'll pay off in the long run. They tend to last longer and are much cheaper to buy than they used to be, so savings stack up sooner.
- 5) **Energy efficient lighting** – Consider installing PIR sensors to reduce excess electricity usage by limiting the operation of lighting to only when a room is occupied.
- 6) **Heating** – Lower the set temperature and adjust the heating schedule where possible to help save energy and bring down your bills.
- 7) **Appliances** – Reduce the amount of energy your appliances use and switch off the standby mode. It has been found that you could save around £55 a year by turning off your office equipment and appliances at the wall instead of leaving them on standby.
- 8) **Efficiency Improvements** – If your current boiler is inefficient and needs to be replaced, consider installing a greener heating system, such as Ground or Air Source Heat Pumps or an electric-based heating system that is powered by 100% renewable electricity.
- 9) **On-site Generation** – Where practical, consider the installation of solar panels. Generating your own electricity will reduce your dependency on the national grid and cut your bills. Additionally, any surplus energy that you haven't used can be sold back to the grid.
- 10) **Further Advice** – Additional energy saving advice can be found online at [Energy Saving Trust](#).

Industry News

UK braces for even higher bills as Norway threatens electricity export cut

British consumers could face even higher bills and potential energy shortages this winter after Norway threatened to ration electricity exports. The UK receives hydroelectric power from Norway through a subsea interconnector cable running beneath the North Sea. However, water levels in southern Norway have been so low this year that the country's government could put its own consumers ahead of international customers. Read more on this story [here](#).

British Gas to stop supplying energy to its biggest customers

British Gas reportedly plans to stop selling energy to its biggest business customers as multiple challenges continue across the sector. It is reported that Britain's biggest energy supplier will only supply clients consuming up to 10GWh of electricity and one million therms of gas.

Skyrocketing energy costs that do not leave enough space for making a profit while trading on behalf of big customers is allegedly what led to the company's decision. More information about this story can be viewed on Energy Live news [here](#).

High UK gas prices may continue through to 2025 - At least

The investment bank Stifel has stated that high gas prices may persist for the next three years due to disruption to supply chains and continually increasing LNG (liquefied natural gas) prices. When combined with global volatility, gas prices are expected to remain high until at least 2025 - although some industry sentiment notes that this may be an optimistic reading. Cornwall Insight have stated that energy prices may remain high (in excess of £100/MWh) until at least 2030.

CofE News

Route map to Net Zero Carbon endorsed by General Synod

The Church of England's General Synod has endorsed detailed plans designed to help the Church to reach net zero carbon by 2030. The route map was developed by the national Environmental Working Group and encourages cathedrals, churches, schools, and theological education institutions to make changes to their day-to-day activities to reduce carbon emissions. Read the full story [here](#).

Energy use and procurement are key parts of the route map and as part of Green Journey, you have already made the first step by switching to a renewable energy tariff and reducing your carbon emissions on your energy usage, but there is a lot more you can do to further reduce your emissions and become a greener and more sustainable church.

Solar power scheme for Clergy homes helps Leeds Diocese cut Carbon emissions

Solar power and high efficiency insulation will help to cut carbon emissions from clergy houses across the Diocese of Leeds, thanks to a new collaboration with energy supply and solutions provider E.ON. Read more on this article [here](#).

Church of England Announces £30m funding to initiate net zero programme

The Church of England recently announced plans for a significant increase in funding for the next three years to support God's mission and ministry across the country. This included £30 million to support diocesan, parish and cathedral plans for the Church to become carbon net zero by 2030. It is anticipated that over the next nine years a total £190m support will be awarded to the carbon net zero programme. [Read more](#)

Heat pumps, solar panels and fabric improvements help churches of all sizes to tackle their carbon footprint.

More and more churches are now making the move to low carbon heating systems in a bid to tackle their carbon footprint and make the transition away from traditional oil and gas heating systems.

[St Andrew's Chedworth](#) have installed a combination of electric pew, panel and overhead heating, allowing them to move away from oil fired heating to fully electric heating through 100% renewable electricity contracts.

[St Anne's Ings](#) provides an example of a small rural church finding ways to make itself more sustainable and have installed an air-source heat pump linked to underfloor heating to heat the church, as well as installing secondary glazing and additional roof insulation to make the church warmer and more welcoming to all.

As part of their major reordering, [Newcastle Cathedral](#) have replaced the building's inefficient lighting and heating systems and have moved to air-source heat pumps linked to underfloor heating as well as replacing existing lightbulbs with more efficient LED alternatives.

Your Energy Account Manager

If you have any energy or account related queries, please contact your dedicated account manager using the below details.

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Until Next Time

If you have any comments, feedback, reviews, or suggestions for our future editions, please contact our team on 0333 006 7177 or info@greenjourney.org.

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