

The Green Journey Scheme

The Green Journey Scheme

This short presentation will provide an overview of the Green Journey scheme.

It will cover the following areas:

- What is the Green Journey scheme?
- What does the Green Journey scheme offer?
- How has the wholesale energy market changed?
- Why are we encouraging parishes to switch and agree contracts now?

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What is the Green Journey Scheme?

Green Journey is a scheme which provides a package of services to churches, charities and church-linked organisations with support in reducing their environmental impact through renewable energy procurement, energy auditing, and through wider sustainability advice and support.

Green Journey began back in 2015 when we were approached by the Diocese of Leeds to provide a package of services to assist churches in switching to renewable energy contracts to reduce their carbon footprint as well as educating churches on how/where their energy was being used on site and what changes could be made to achieve a more energy efficient/sustainable building.

Since then, the scheme has now worked with 23 Diocese's as well as several Methodist and Baptist Churches and the United Reformed church nationally. As well as this, we have also helped a number of other independent/evangelical churches with their energy/carbon reduction needs too.

At any time, we have in excess of 2,000+ meters within the Scheme.

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What does the Green Journey scheme offer?

The Green Journey scheme offers members the following services:

- Switching Service
- VAT and CCL Checking
- Account Management
- Energy Auditing

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Switching Service

- The Green Journey basket provides members with renewable electricity and options of conventional or green gas from our approved supplier panel.
- Alternatively, Green Journey can carry out ad-hoc quotations for members outside of the basket to move their supplies to competitive tariff options.
- Green Journey manages the process of contracting – submitting termination notice to the current provider if required, monitoring the switching process and dealing with any objections or issues, and ensuring the new contract goes live as expected.

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VAT & CCL

- Places of worship typically pay 5% VAT and do not pay CCL - however the supplier is not responsible for applying this exemption.
- Green Journey will conduct an audit of historic invoices to ensure that you have not been overpaying VAT or CCL. Should we identify an overpayment, we will inform the suppliers and ensure that any overpaid amounts are credited onto your account. The maximum time we can reclaim is up to 4 years, however this is supplier dependent.
- For all new contracts placed through GJ, we will ensure the relevant VAT declarations are submitted at the point of contracting to ensure your new contracts are charged at the correct rate of VAT from the point of commencement.

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Account Management

- We provide all Green Journey members with a full account management service.
- This includes speaking with the supplier on your behalf to get any information needed, dealing with any billing issues, getting copy invoices, supporting with the installation of smart meters, or anything else that may be required day-to-day on the account.
- Our service ensures that you don't have to spend time on hold to your suppliers - we act as a single point of contact. The dedicated Account Manager is available throughout the week via telephone, email, or post for any queries.

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Energy Auditing

- Every Green Journey scheme Member receives a complimentary Energy Audit and Report.
- The aim of this is to quantify the current energy consumption and practices at your church, and to identify opportunities to reduce the consumption and carbon footprint of the church.
- Energy Audit will consider the following areas: Lighting, Heating Systems, Building Fabric, Significant Energy Consumers, Energy Usage Patterns.
- Audit Report will identify areas of potential improvement and will include advice and guidance to help reduce the consumption at your church, ensuring that any recommendations are financially feasible. Where applicable, the report will also include information on any grants/funding available or will signpost to the relevant Diocesan teams for more information.
- As well as sharing our findings with the church, the Energy Audit Report will also be made available to the Diocesan team responsible for the management of Green Journey, which will assist with future decision making, as well as reports being held centrally and uploaded to the CofE's Online Faculty system.

How has the wholesale energy market changed?

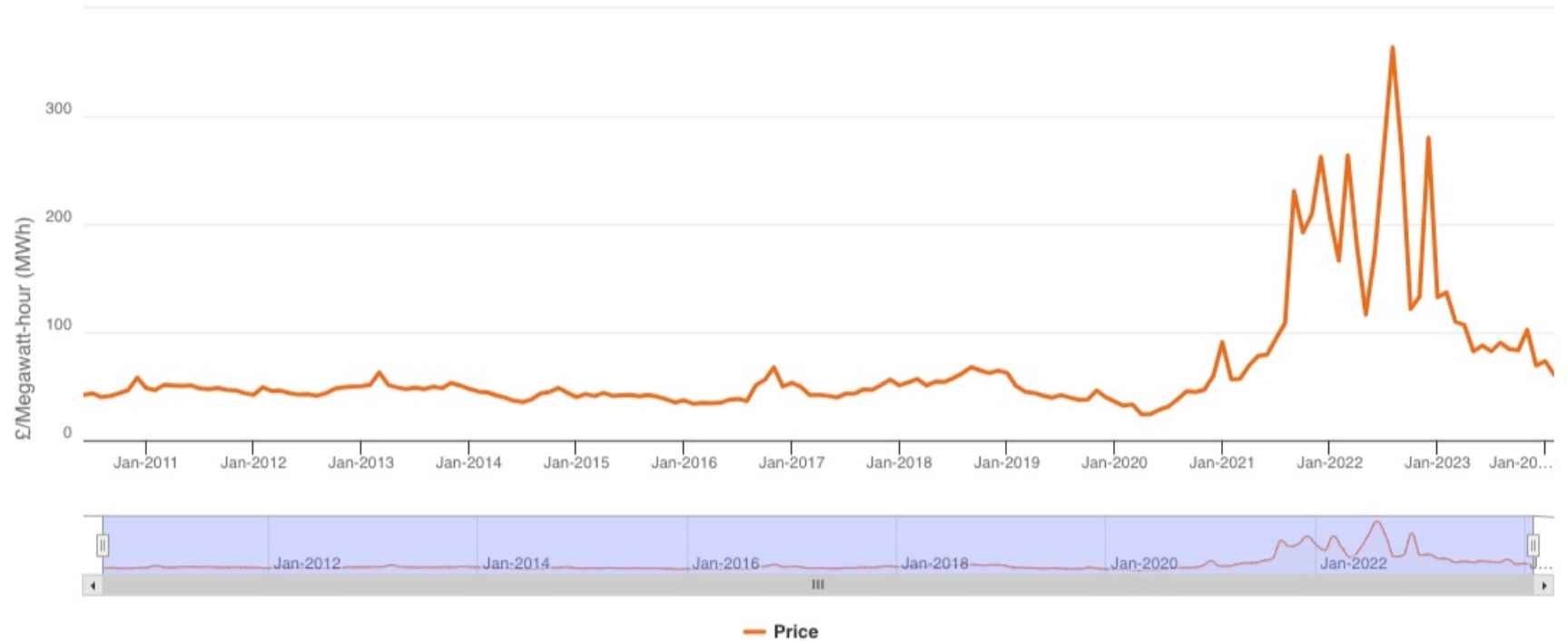
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Electricity Prices: Day Ahead Baseload Contracts - Monthly Average (GB)

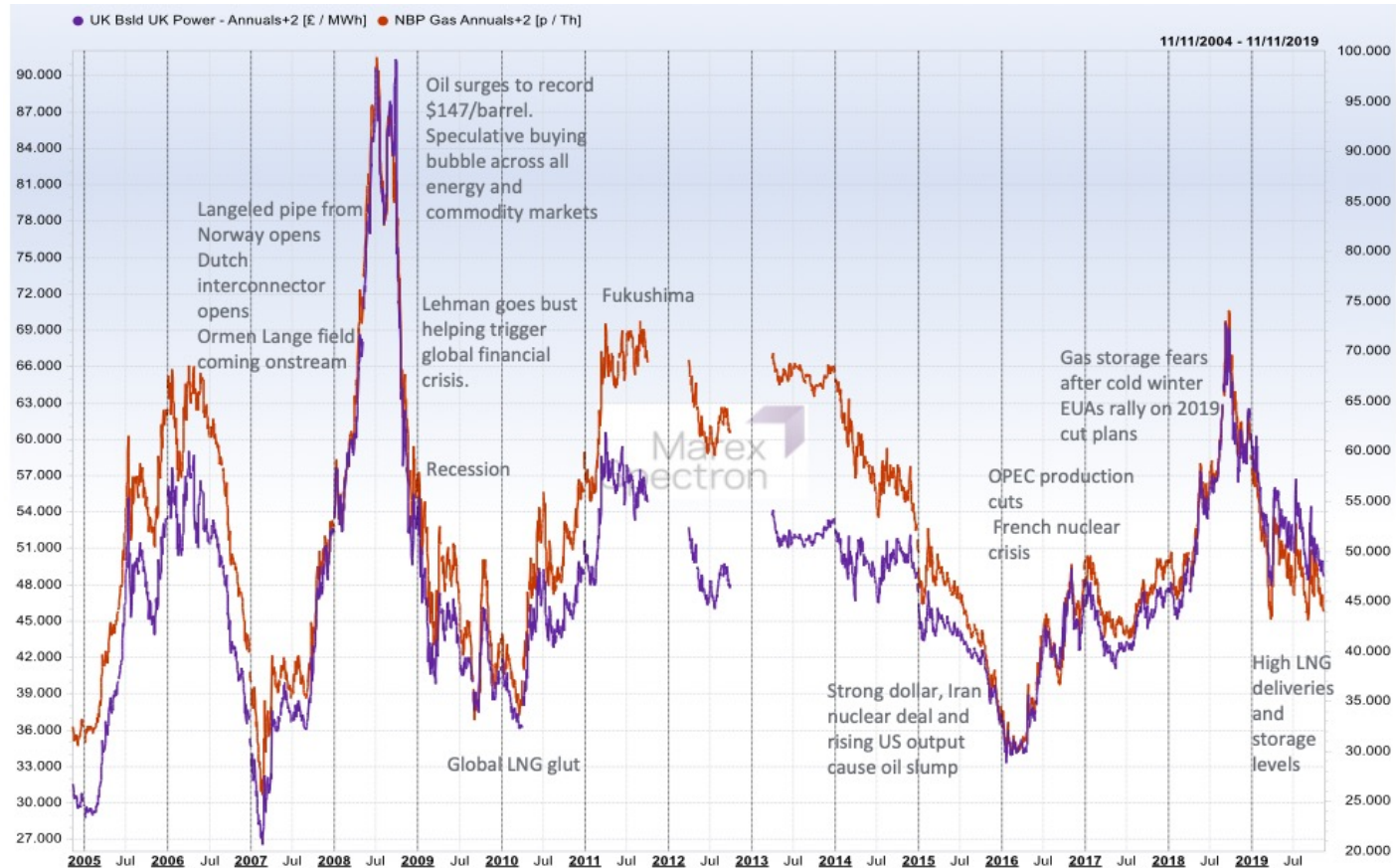


Information correct as of: April 2024

Source: <https://www.ofgem.gov.uk/energy-data-and-research/data-portal/all-available-charts>

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Source: Marex Spectron

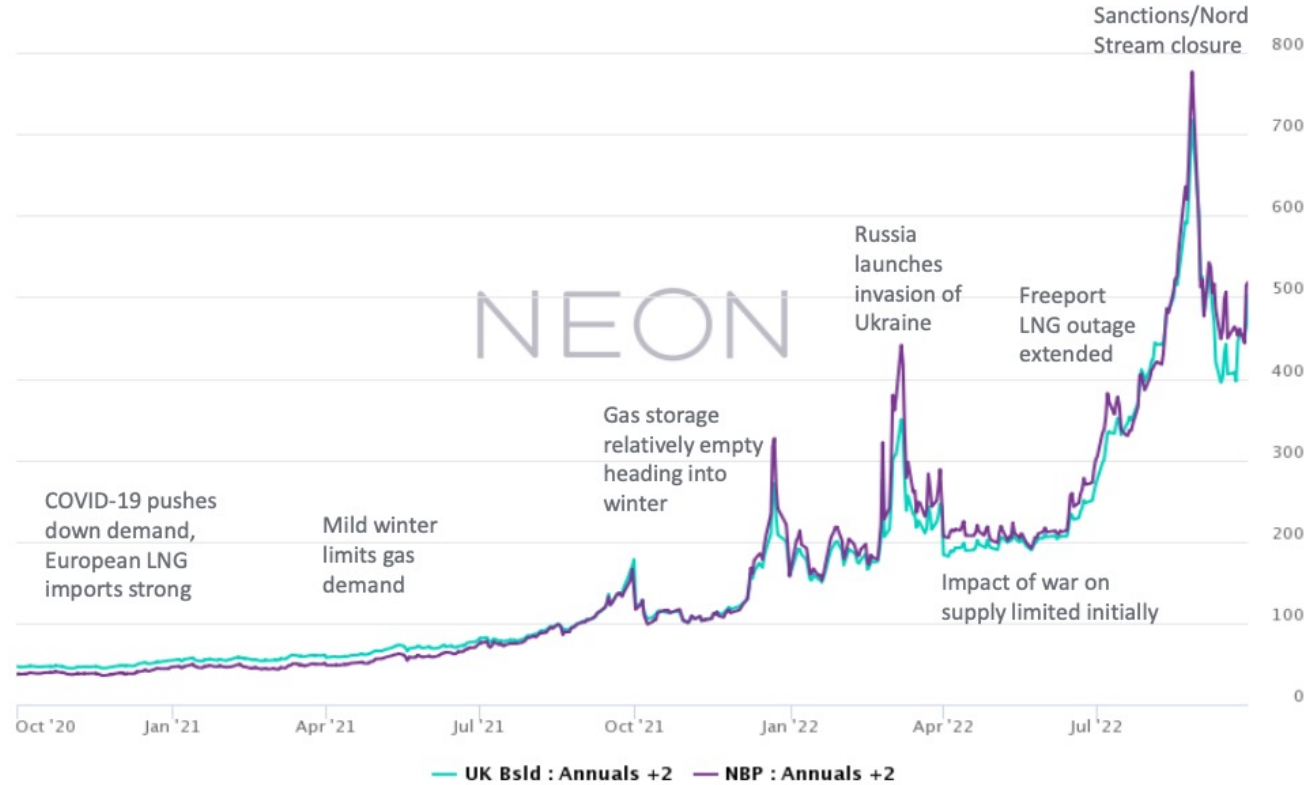
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Source: Marex Spectron

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Source: The ICE

How has the wholesale energy market changed?

The below is an overview of the medium and long term bullish and bearish factors that may influence wholesale energy prices:

Bullish Factors

Medium-Term

- Closure of German nuclear capacity.
- Oil geopolitics
- Aging infrastructure issues

Longer-Term

- Lack of UK storage capacity
- UK/European shale gas obstacles/opposition
- UK production declining
- Existing UK nuclear plants to close fully from 2028
- New generation of cleaner and safer coal mines in China could suppress import demand and global coal prices
- Coal-fired phase-out in Germany set to boost gas demand
- Norwegian “vulnerable areas” moratorium
- New gas uses – e.g. GTL, shipping fuel
- New power uses – EVs, home heating
- Resource nationalism, protectionism

Bearish Factors

Medium-Term

- Further Japanese nuclear restarts
- UK renewables expansion and batteries reducing gas demand
- New liquefaction capacity in the US, elsewhere

Longer-Term

- UK offshore wind capacity to double by 2026
- Hinkley Point C start-up expected June 2026
- Gas boilers to be banned by 2025
- Electricity storage revolution – 15-fold increase in battery demand predicted by 2030
- Improved, more efficient infrastructure and goods coming onstream, EU pushing efficiency
- Shift in Chinese coal demand, move towards service economy
- Supplies from Israel, Turkmenistan, Cyprus
- Big new gas fields also discovered in Iran, off eastern Africa
- Nuclear fusion and small-scale reactors

1 Introduction To Green Journey

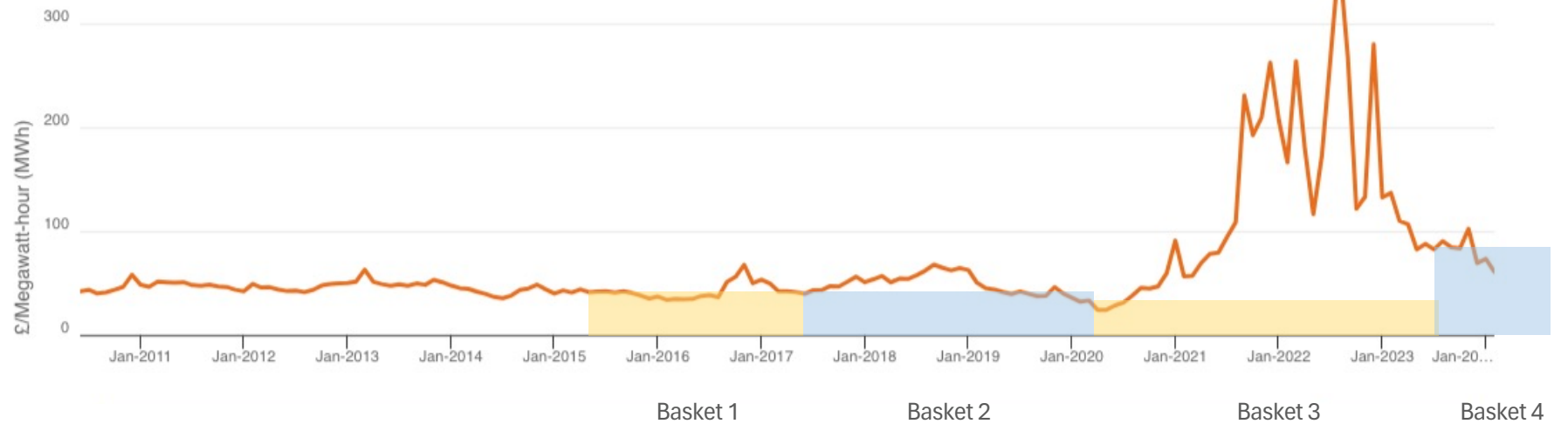
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Why switch now?

The below graph shows the performance of the Green Journey scheme basket overlaid against wholesale market movement (taken from the Ofgem chart shown previously):



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Why switch now?



As the graph shows, the gains of 2022 have now reversed, and we are sitting at a level roughly equivalent to the level seen in late 2021.

The 12-month view demonstrates the overall downward sentiment, and how prices have stabilised in 2024.

Source: The ICE

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- Now that wholesale prices have fallen, the question is why switch now compared with waiting until later in the Summer period when gas demand is at a lower point and prices may be lower.
- Since 2022, we have seen significant increases in geopolitical tensions and the wholesale energy market has changed structurally for the UK.
- We are now part of the global LNG (liquified natural gas) market given the loss of steady sources of gas. Electricity wholesale prices are correlated to wholesale gas prices.
- Therefore, the below factors will influence the cost of energy:
 - Impact to shipping lanes which delay LNG cargo ships.
 - Increased demand in Asia, leading to a bidding war for LNG cargo ships.
 - Geopolitical tension which impacts upon availability of LNG cargo ships (e.g. USA is a large supplier of LNG to Europe).
- Throughout 2024 we have seen tensions bubble up globally, and given the USA elections, the UK elections, tensions in Asia, impacted shipping routes in the Middle East, production outages in Europe, political LNG decisions in the USA, among other factors.
- As of the time of writing, prices remain in a good place due to an oversupply of gas resulting from temperatures being above seasonal norms and high gas storage in the EU. However, there remains significant risk.