



Caroline Russell AM
City Hall
The Queen's Walk
LONDON SE1 2AA

Our ref: CR-0194
16th March 2017

Sadiq Khan
Mayor of London

Dear Sadiq

'Energy for Londoners' - Proposal for a fully licensed energy supply company

Thank you for re-confirming your commitment to establishing 'Energy for Londoners'; for supporting local and community energy enterprises and; buying clean energy generated across the city in your Final Draft Consolidated Budget for 2017-18.

I also welcome your comment "That is the idea" when I asked you if you are still committed to a fully licensed energy supply company, at Mayor's Question Time on the 20th February 2017. ⁽¹⁾

The Green Party Group's budget amendment proposed allocating an initial £1.5 million from your capital programme reserve for initial set up costs of such a company ⁽²⁾. This was based on the set up costs of Bristol Energy, established by Bristol City Council as a fully licensed energy supply company ⁽³⁾.

However, I am disappointed that your final draft budget for 2017/18 fell short of allocating a budget for this purpose and contrary to your earlier statements, the first option of the energy company models that you are currently exploring, is a 'White Label' company. Whereby the GLA would procure a licensed energy supply company to provide energy and brand it as 'Energy for Londoners' ⁽⁴⁾.

I believe that the White Label option will hamper you in setting tariffs, limit the potential revenue available for investment in local renewables and growing and keeping energy expertise in London. I therefore strongly urge you to reject this option.

Londoners need an environmentally focussed and trusted local energy supplier that will benefit individuals, businesses, schools, hospitals and other public bodies. This would offer them a fairer deal and protects them from rip-off annual price hikes. For instance, Npower recently announced a 15% electricity price hike (from 16 March 2017), even though Ofgem did not see "any case" for the hike. SSE announced a similar increase this week and with others likely to follow, even more Londoners in fuel poverty, currently estimated at 348,000 people, risk going over the edge or further into fuel poverty.



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I believe a fully licensed Mayoral not-for-profit energy supply company provides you with the best mechanism for tackling fuel poverty, supporting community investment in renewables and low carbon projects. And in the medium and longer term it would enable you to improve London's energy security and resilience while tackling climate change.

Yours sincerely,



Caroline Russell
Green Party Member of the London Assembly

cc. Shirley Rodriguez, Deputy Mayor for Environment and Energy

(1) London Assembly (Mayor's Question Time) – 20 February 2017 Transcript of Agenda Item 4b – Final Draft Consolidated Budget 2017/18: Questions to the Mayor
<http://bit.ly/2m3AB97>

(2) Green Group's budget amendment
<https://www.london.gov.uk/moderngov/documents/s61882/Green%20Amendment-Appendix%206.pdf>

(3) 'Establishment and trading of an Energy and Technology company' Bristol City
https://democracy.bristol.gov.uk/Data/Cabinet/201507061800/Agenda/0706_6.pdf

(4) Mayor's current appraisal of three energy supply company options. This appraisal is due to be completed in March 2017 <https://www.london.gov.uk/decisions/dd2077-energy-londoners-not-profit-energy-supply-company>



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