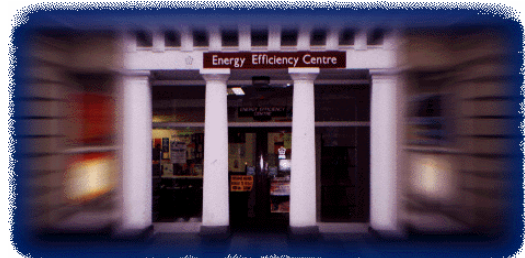


GREEN TARIFFS

Leicester City Council is a large unitary local authority, with over 14,000 employees. The main offices are situated in the New Walk Centre, in the heart of the city. This office complex comprises two separate 13- and 8-storey buildings. Approximately 1,250 staff are employed in the two buildings, and deal with the majority of the administrative work of the Council, including: finance, payroll, personnel, legal services, IT, housing and much more. The electricity bill for the New Walk Centre is approximately £150,000 per annum, with gas costing another £20,000. The site has a maximum demand in excess of 1MW and represents about 12% of the Council's overall electricity consumption.

In 1995 Leicester City Council approached East Midlands Electricity to negotiate a rate to supply New Walk Centre with green electricity. This was the first green electricity tariff that East Midlands supplied and, as such, it compelled them to find and then purchase new sources of renewable energy, including the Milford Mill hydroelectric plant. This has also contributed to Leicester City Council's aim of promoting renewable energy production locally.



In 2002, nine of the City Council's largest buildings (each having a demand in excess of 100kW) are supplied with electricity from sustainable sources from **TXU-Europe**. This is equal to about a third of the authority's total electricity requirement.

These sites pay a premium for so-called "clean electricity supplies" but they are exempt from the Government's Climate Change Levy. So the revenue effect is broadly neutral overall.