



Assurance Statement

Independent assurance statement by Deloitte LLP to ScottishPower Energy Retail Ltd (SPERL) on the application of SPERL's interpretation of Quality Criteria 1 to 5, and 8 of WRI GHG Protocol's Scope 2 Quality Criteria and carbon intensity of electricity supplied to Top tier Certified Green Energy Product (CGEP) and domestic green energy product customers for the year ended 31 March 2021 as per the following assertions:

1. SPERL has matched the volume supplied to Top tier CGEP and domestic green energy product customers (see Appendix 2 for applicable products and tariffs) to energy from renewable sources, and that the Renewable Energy Guarantees of Origin (REGO) sources are 100% from zero carbon sources. This is evidenced by matching the billed Top tier CGEP and domestic green energy product volume in "IC Green Summary Analysis (final)", "Green Tariff Dossier April to November 20/December 20 to January 21/ February 21/ March 21 @ 09.06.21" (dated 9 June 2021) and "Go Green Bolt on Dossier April 20" (dated 12 June 2021) to the REGO volume redeemed from SPERL's Ofgem portal as per "SP Redeemed REGOs @ 02.07.21" (dated 2 July 2021).
2. The Top tier CGEP and domestic green energy products meet Quality Criteria 1 to 5, and 8 as defined in GHG Scope 2 guidance published by the World Resources Institute (WRI) to support customer reporting of zero-carbon electricity intensity under the market-based method, as per Appendix 1.
3. SPERL has adequate processes and controls in place to ensure that REGOs have been matched to Top tier CGEP and domestic green energy product supplies and that the Scope 2 Quality Criteria 1 to 5, and 8 have been satisfied, as set out in ScottishPower's "Certified Green Energy Product Procedure V7.pdf" (dated 15 June 2021), "SPERL-03411 Process document for managing the REGOs – 100% renewable tariff" (dated 10 June 2021) and "SPERL-03412 Process document for managing the REGOs for the Go Green Bolt On product" (dated 8 May 2020).

What we looked at: scope of our work

ScottishPower Energy Retail Limited ("SPERL") has engaged us to perform limited assurance procedures on:

- The electricity supplied to Top tier CGEP and domestic green energy product customers for the year ended 31 March 2021; and
- The application of SPERL's interpretation of Quality Criteria 1 to 5, and 8 of the WRI GHG Protocol's Scope 2 Quality Criteria (outlined in table 7.1 within the 'GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard' available at: <http://ghgprotocol.org/scope-2-guidance>) to Top tier CGEP and domestic green energy product.

We have been engaged to report to SPERL the results of those procedures ("the Report") and provide an ISAE 3000 limited assurance opinion over whether anything has come to our attention to lead us to believe that the relevant Top tier CGEP and domestic green energy product information is not in all material aspects fairly stated.

We note that the Department for Business, Energy & Industrial Strategy (BEIS) fuel mix disclosure (FMD) template for suppliers to report the fuel mix of their total supply, and Ofgem's Standard Conditions of Electricity Supply Licence condition 21, do not require a supplier to identify the volume of REGOs that are used for specific products (i.e. Top tier CGEP and domestic green energy product) separated from the volume of REGOs that are used for other products. Therefore the UK average fuel mix does not separate the environmental benefit of specific renewable energy-backed energy products from the residual mix, and this would affect the accuracy of reporting of emissions by other energy users as REGOs attributed to the Top tier CGEP and domestic green energy product would also be included in the SPERL-average fuel mix and UK-average fuel mix.

What standards we used: basis of our work, criteria used and level of assurance

We carried out limited assurance on SPERL's Top tier CGEP and domestic green energy product reporting to Top tier supply customers in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). To achieve limited assurance ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The criterion used for the assurance was SPERL's basis of preparation, entitled "Certified Green Energy Product Procedure V7.pdf" (dated 15 June 2021), outlining the 100% renewable and REGO backed Top tier supply and SPERL's adherence to the WRI GHG Protocol's Scope 2 Quality Criteria 1 to 5, and 8. The assurance procedures were conducted on customer billing and consumption for the year ended 31 March 2021, using settlement data as of 12 June 2021 (for CGEP customers) and 9 June 2021 (for domestic green energy product customers).

What we did: key assurance procedures

To form our conclusions, we undertook the following procedures:

- Interviews of management at SPERL and those with operational responsibility for renewables origination and supply;
- Understanding and analysing the key structures, systems, processes, procedures and controls relating to:
 - the redeeming of REGOs and the matching of REGOs against supplied Top tier volumes; and
 - the interpretation and adherence to Quality Criteria 1 to 5, and 8, of the Scope 2 Quality Criteria;
- Understanding and analysing the collation, aggregation, validation and reporting of the Top tier CGEP and domestic green energy product carbon intensity.
- Assessing the Top tier CGEP and domestic green energy product carbon intensity to support customer reporting of zero-carbon electricity intensity under the market-based method as defined in GHG Scope 2 guidance published by the World Resources Institute, as per Appendix 1.

What we found: our assurance conclusion

Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that the Top tier CGEP and domestic green energy product carbon intensity (zero-carbon) is materially misstated, or that it has not met in all material aspects, the WRI GHG Protocol's Scope 2 Quality Criteria 1 to 5, and 8.

Roles and responsibilities


SPERL:

SPERL is responsible for the preparation of the Top tier CGEP and domestic green energy product information. It is responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived, including:

- The sourcing of sufficient renewables and matching of electricity volumes against relevant REGOs;
- Redeeming of relevant REGOs using the Ofgem system, and preventing the use of the REGOs for other products; and
- Interpretation and application of WRI GHG Protocol's Scope 2 Quality Criteria.

Deloitte:

Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to SPERL in accordance with our letter of engagement. Our work has been undertaken so that we might state to SPERL those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SPERL for our work, for this report, or for the conclusions we have formed.



Deloitte LLP
Glasgow, United Kingdom
23 July 2021

Independence and Quality

In conducting our engagement, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants in England & Wales.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Appendix 1: GHG Scope 2 Quality Criteria

The World Resources Institute Greenhouse Gas (GHG) Protocol Scope 2 Guidance contains eight key quality criteria for the reporting of Scope 2 GHG emissions. These are copied below:

Table 7.1 Scope 2 Quality Criteria

Further explanation on select Scope 2 Quality Criteria can be found in Section 7.5.

All contractual instruments used in the market-based method for scope 2 accounting shall:
<ol style="list-style-type: none">1. Convey the direct GHG emission rate attribute associated with the unit of electricity produced.2. Be the only instruments that carry the GHG emission rate attribute claim associated with that quantity of electricity generation.3. Be tracked and redeemed, retired, or canceled by or on behalf of the reporting entity.4. Be issued and redeemed as close as possible to the period of energy consumption to which the instrument is applied.5. Be sourced from the same market in which the reporting entity's electricity-consuming operations are located and to which the instrument is applied.
In addition, utility-specific emission factors shall:
<ol style="list-style-type: none">6. Be calculated based on delivered electricity, incorporating certificates sourced and retired on behalf of its customers. Electricity from renewable facilities for which the attributes have been sold off (via contracts or certificates) shall be characterized as having the GHG attributes of the residual mix in the utility or supplier-specific emission factor.
In addition, companies purchasing electricity directly from generators or consuming on-site generation shall:
<ol style="list-style-type: none">7. Ensure all contractual instruments conveying emissions claims be transferred to the reporting entity only. No other instruments that convey this claim to another end user shall be issued for the contracted electricity. The electricity from the facility shall not carry the GHG emission rate claim for use by a utility, for example, for the purpose of delivery and use claims.
Finally, to use any contractual instrument in the market-based method requires that:
<ol style="list-style-type: none">8. An adjusted, residual mix characterizing the GHG intensity of unclaimed or publicly shared electricity shall be made available for consumer scope 2 calculations, or its absence shall be disclosed by the reporting entity.

Available at:

https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf

Note 1: The World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol Scope 2 Guidance, section 4.2 (emission rate approach) states that Scope 2 GHG emissions factors “do not include T&D [transmission and distribution] losses or upstream lifecycle emissions associated with the technology or fuel used in generation.” Therefore, in line with this guidance, SPERL is not required to redeem, retire, or cancel REGOs to cover T&D losses for the Scope 2 emissions factor, as T&D losses are defined as part of Scope 3 GHG emissions.

Note 2: SPERL’s assessment of the Scope 2 Quality deems Criterion 6 and Criterion 7 as not applicable for the Top Tier supply volume, for the following reasons:

- Criterion 6: the carbon emissions factor for the Top tier CGEP and domestic green energy products are not utility-specific residual mix factors; and
- Criterion 7: the Top tier CGEP and domestic green energy products are not sold to customers via a direct wire, and are not sold to customers as on-site generation.

Appendix 2: Top tier Certified and Domestic Green Energy Products and Tariffs

The Top tier Certified Green Energy Product (CGEP) is offered to business customers.

The SPERL domestic green energy products and tariffs are listed below which are offered to domestic customers:

Exclusive Fix October 2021 v2/online	Greener Future February 2022 B1	Super Saver February 2022 B1/B2
Greener Future May 2023 EM1/EH1/EM2	Greener Future March 2022 B1	Green Energy H2O - Pay As You Go
Exclusive Saver Fixed May 2021/Online	Green Energy Fund/Online Green Energy Fund	Super Saver December 2020 B3/20 B3
Exclusive Super Saver July 2021 B1/August 2021 B3/September 2021 B3/September 2021 B3 v2/September 2021 B3 v3/Aug 2021 B3/Aug 21 B3	Super Saver November 2020 B7/20 B7/2020 B8/20 B8/2020 B9/20 B9/2020 B10/20 B10/2020 B11/20 B11	Smart Green Electric Vehicle August 2020/July 2020/June 2020/September 2020/Dec 2020/Dec 2020 v2
Energy for Landlords v7/v8/v9/Online Fixed Energy January 2022	Green Energy Fund - Pay As You Go Green Fixed Price April 2022/April 2022 Online	Super Saver March 2022 B1 Super Saver May 2021 B1/B2
Fixed Price Energy January 2022 v2/v3/v2 online/v3 online/online	Green Energy H2O	Super Saver June 2021 B1/B2
Online Exclusive Fixed January 2022 IM1/OM1/SM2/IM2/IM3	Green Electric Vehicle January 2021	Super Saver July 2021 B1/B2/B3
Online Exclusive Fixed April 2021 IM1/OM1/sM1/SM2	Green Super Saver May 2022 B1	Saver February 2022 FM1/FM2 2023 EM1/EM2
Online Exclusive Fixed February 2022 IM1/OM1/SM1/AM1	Green Fixed August 2023 EM1	Saver April 2021 FM1/FM2 /2022 EM1/EM2
Online Exclusive Fixed June 2021 IM1/OM1/SM1	House Builders	Saver May 2021 FM1/2022 EM1
Online Exclusive Fixed July 2021 IM1/OM1/SM1	Smart Charging Green EV Dec 2020 v2	Saver July 2021 FM1/2022 EM1
Online Exclusive Fixed August 2021 IM1/OM1/SM1	Super Saver April 2021 B6/2022 B1	Saver June 2021 FM1/2022 EM2
Online Exclusive Fixed October 2021 IM1/OM1/SM1/IM2/OM2/SM2	SmartPower Green Electric Vehicle June 2021/August 2021/January 2021/September 2022	Saver August 2021 FM1/2022 EM2
Online Exclusive Fixed April 2021 IM2	SmartPower Overnight September 2021/May 2022/December 2021	Saver October 2021 FM1/FM2/ 2022 EM1/EM2
Online Exclusive Fixed May 2021 SM1	SmartPower Weekend May 2022/December 2021/September 2021	Saver December 2021 FM1/2022 EM1
Online Fix and Save February 2022/February 2022 v2	SmartPower Evening May 2022/December 2021/September 2021	Price Secure January 2022/May 2021/January 2022 Online/May 2021 Online
Super Saver January 2021 B1/21 B1/2021 B2/21 B2/2022 B1/2022 B2/2022 B3	SmartPower Day Plan May 2022/September 2021/December 2021	Greener Future Overnight May 2022
Online Fix and Save April 2021/ April 2021 v2	Super Saver November 2021 B1/B2/B3	Exclusive Online Fix and Save November 2021
Online Fixed Saver February 2022/February 2022 v2	Super Saver December 2021 B1/B2/B3/B4	Fix and Save February 2022 FH1/FH2 2023 EH1/EH2
Online Fixed Saver May 2021/June 2021/July 2021/August 2021/October 2021/December 2021	Super Saver April 2021 B1/21 B1/2021 B2/21 B2/2021 B3/21/B3/2021 B4/21 B4/2021 B5/21 B5	Fix and Save April 2021 FH1/2022 EH1/EH2/ 2021 FH2
Online Fixed Saver April 2021/April 2021 v2	Super Saver October 2021 B1/B2/B3	Fix and Save May 2021 FH1/2022 EH1
Exclusive Online Fixed Saver November 2021	Super Saver September 2021 B1/B2	Fix and Save June 2021 FH1/2022 EH1
Greener Future May 2022 B1/M1/H1/FM1/FH1/M2H2/FM2/FH2	Super Saver August 2021 B1/B2	Fix and Save July 2021 FH1/2022 EH1
Online/December 2022 Online	Fix and Save December 2022 EH1/2021 FH1	Fix and Save August 2021 FH1/2022 EH1

Greener Future Evening May 2022	Greener Future Day May 2022	Fix and Save October 2021 FH1/2021 FH2/2022 EH1/2022 EH2
Help Beat Cancer Greener Future May 2023 CM1/CH1/CM2/CH2/CM1 ONLINE/CH1 ONLINE/COM2 ONLINE/CH2 ONLINE	Help Beat Cancer Greener Future SR May 2023 DM1/DH1/DH2/DM1 ONLINE/DH1 ONLINE/DH2 ONLINE	Online Fix and Save May 2021/June 2021/July 2021/August 2021/October 2021/December 2021
Greener Future April 2022 IM1/OM1/SM1/AM1/IM2/OM2/PM1 Online	Help Beat Cancer Green Fixed August 2023 CM1/CH1/Single Rate August 2023 DM1	Exclusive Fixed Help Beat Cancer May 2023
Help Beat Cancer Fixed Saver February 2023/v2 April 2022/v2 May 2022/June 2022/July 2022/August 2022/October 2022/December 2022/February 2023 Online/v2 April 2022 Online/v2 May 2022/June 2022 Online/July 2022 Online/August 2022 Online/October 2022 Online/December 2022 Online	Help Beat Cancer Fix and Save February 2023 v2/April 2022/April 2022 v2/ May 2022/June 2022/July 2022/August 2022/October 2022/December 2022/February 2023 Online/v2 April 2022 Online/v2 May 2022 Online/June 2022 Online/July 2022 Online/August 2022 Online/October 2022	Greener Future Electric Vehicle May 2023
Exclusive Renewal March 2021 FM1/April 2021/April 2022/September 2021/March 2021 FM1 Online/April 2021 Online/April 2022 Online/September 2021 Online/June 2021 Online/June 2021/April 2022 B1/June 2022 B1/November 2021 B1/November 2021 B1/January 2022 B2	Help Beat Cancer Fix and Save Single Rate February 2023/v2 April2022/v2 May 2022/June 2022/July 2022/August 2022/October 2022/December 2022/ February 2023/Online/v2 April 2022 Online/v2 May 2022 Online/June 2022 Online/July 2022 Online/August 2022 Online October 2022 Online/December 2022 Online	Fix Your Energy January 2022 YH1/February 2022/June 2021 YH1/July 2021 YH1/August 2021 YH1/October 2021 YH1/October 2021 YH2/January 2022 YH1 Online/February 2022 Online/June 2021 YH1 Online/July 2021 YH1 Online/August 2021 YH1 Online/October 2021 YH1 Online/October 2021 YH2 Online/April 2021 YH1 Online/April 2021 YH1
Exclusive Help Beat Cancer Fix and Save March v2 2022/August 2023/September 2022/November 2021/March 2022 v2 Online/August 2023 Online/September 2022 Online/November 2021 Online	Exclusive Help Beat Cancer Fixed Saver March 2022 v2/ August 2023/September 2022/November 2021/March 2022 v2 Online/August 2023 Online/ September 2022 Online/November 2021 Online	Saver Fixed January 2022 PM1/April 2021 PM1/August 2021 PM1/October 2021 PM1/January 2022 PM1 Online/April 2021 PM1 Online/August 2021 PM1 Online/October 2021 PM1 Online
Help Beat Cancer Fixed Saver Single Rate February 2023/v2 April 2022/v2 May 2022/June 2022/July 2022/August 2022/October 2022/December 2022/February 2023 Online/v2 April 2022 Online/v2 May 2022/June 2022/July 2022/August 2022 Online/October 2022 Online/December 2022 Online		



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