Thank you for taking the trouble to reply.

My response to John regarding his meeting request is a private matter. However, let me address some of the points raised in his message.

The assertion that we have less installed renewable capacity than our competitors is based on a misleading report. After we have built wind farms, unlike our competitors, we contract the renewable power for our customers and then sell down our equity interest to enable us to build more wind farms. This means that our net investment is reduced but our customers continue to benefit from low carbon energy that we have built and we can then go on and build far more than if we kept them all on our balance sheet. Sometimes you need to look beneath the surface.

I'm afraid you are wrong to say the report is misleading. It does examine your "gross" build in renewables which, simply put, is everything you have built and paid for, and includes assets you have gone on to sell. These are the numbers I referred to in my last letter to you.

Even taking into account the fact that you have sold on stakes in some of your wind projects – in particular the Lynn and Inner Dowsing wind farm which you sold 50% of to TCW – it concludes that you have installed less capacity than any of your Big 6 competitors.

I'm sorry if this comes as a surprise and I'm glad we have brought it to your attention.

With regard to our investment in nuclear, it is the only scalable form of baseload zero carbon power currently available. Since making our investment in the British Energy fleet, we have already extended the life of two stations and undertaken the engineering for new construction of two reactors.

Buying a 20% state in the ageing British nuclear fleet is not new investment in Britain's clean energy infrastructure.

The extensions in the life of the Hartlepool and Heysham 1 power stations was carried out by British Energy – a firm in which you are a junior partner to EDF, though it does benefit your shareholders.

With regards to the construction of new reactors – as you repeatedly said in your financial statements – and to the Financial Times, no investment decision has been taken, you remain to be convinced that it is economic and new investment will only be made if it is "in keeping with our commitment to shareholder value".

If you would prefer to use profit as a measure rather than cash flow, the simple fact is that we have reinvested £1.50 for every £1 of profit over the last three years. We have only been able to do this because investors have a reasonable expectation of getting a return on their investment.

Again, you are not engaging on the issue of how you choose to use your profits – long term investment in new energy infrastructure, or short term reward for shareholders.

Despite your statement you have presumably not "reinvested" more profit than you, in fact, generated.

What I think you mean is that over the last three years you have succeeded in raising – and investing - £1.50 for every £1 you have made in profit.

These are two completely different things. Your competitors have managed both to raise more capital and to invest more of their profits.

You have instead returned 74% of profits to shareholders in the form of dividends.

Neither are you saying that money has been invested in renewable power, or even, that it's been invested exclusively in new capital infrastructure.

Instead, your latest annual report says that in 2011 your investments were "mainly in upstream gas and oil, in power generation and in North America".

Your ratio of profits to capital investment from 2007-11, as cited by Bloomberg, is the lowest of the Big 6, your overall investment in power generation over the same period, is the lowest of the Big 6 and you return more of your profits to shareholders than any of your rivals.

Investing money you have raised from others, in entirely different business areas, is not relevant to this discussion.

With regard to bills, I accept that 2011 was warm but if you look further back, the average British Gas dual fuel bill was £1005 in 2008 and £1026 in 2009. So, setting aside the warm 2011, the recent rate of increase has been 2-3% per year. Particularly in hard times, customers notice when bills go up more than when they go down.

The issue is not just that bills are going up – but that those rises are increasingly volatile – due to your increased exposure to international gas markets.

The cost of heat and electricity to an average dual fuel customer rose between March 2011 and March 2012 by 12.8%, according to figures from Ofgem. Using the most up to date numbers available the rise from April 2011 to April 2012 was 11.9%.

These figures reflect the increased cost customers pay for each unit of power they consume which are sadly unlikely to be cushioned for too long by the favourable weather. Given your own assessment that gas prices are likely to keep rising in future, surely you would accept your own customers average bills are set to go up sharply.

With the cost of power rising, in just one year, at 11.9% whilst pay rises by 1% it is unsurprising that fuel poverty has reached new highs.

More importantly, the energy efficiency measures we installed last year are helping bring down consumption. Driving energy efficiency is an area where we are acknowledged to be spending more than anyone else. Last year we insulated 400,000 homes in the UK.

You spend more bill payers money on energy efficiency than anyone else because, as the former state monopoly, you have more customers than anyone else and you therefore have greater obligations than anyone else. This is not something for which you deserve any particular credit.

We are working hard to bring the cost of renewables down. We are one of the largest installers of solar PV in the UK and have done more than any of the other energy suppliers. Unfortunately the UK is not an ideal location for solar and the reduction of feed-in tariffs has tempered customers enthusiasm.

The overwhelming majority of solar PV, whether installed by you or others, is paid for by domestic homeowners and businesses.

Indeed small solar PV installers now account for 14.1% of the UK's total capacity in renewable energy, six times Centrica's share – according to Bloomberg's report.

With regard to offshore wind, we have built four very large projects and are evaluating a further one, twice the size of anything we have built to date, but the costs remain high. The North Sea is a hostile and corrosive environment so we need to design for significant wave loads especially as we move into deeper water. Building progressively further offshore also increases the cost of connecting to the grid.

It's good that Centrica has built – or co-invested in – four offshore wind projects, but the facts are you have installed less renewable energy than your rivals. Greater offshore wind capacity reduces our demand for gas, so reducing our exposure to rising and volatile prices.

The UK is leading global research and development on offshore wind – a technology the government's Carbon Trust estimates could generate £19bn a year for the UK economy. Building

offshore wind in challenging environments – and contribution to projects like the Carbon Trust's offshore wind accelerator – is the only way costs will come down.

I hope this addresses your points, which you will see we have no intention of ducking as they are important for the world in which we want our children and future generations to live.

Unfortunately you have failed to address any of our suggestions for helping promote a clean, sustainable energy future which keeps bills stable, these were:

Step 1
Publicly declare your support for the recommendations of the Committee on Climate Change (CCC) that the UK should have almost completely decarbonised our electricity sector by 2030.

Step 2:
Declare your support for a regulatory limit on carbon emissions from power stations – known as an emissions performance standard – that is in line with the recommendation of the CCC that we should decarbonise the power sector by 2030, and that standard should apply to all polluting fossil fuel power stations, not just coal ones.

Step 3:
Support an outcome from this year's Electricity Market Reform process that prioritises support for renewables and energy efficiency measures that can get bills under control and bring down pollution levels.

If we are to have an honest conversation on energy, it is surely essential that you engage with these recommendations.

Yours truthfully,
John Sauven
Greenpeace