

Hotel Vagabond turns carbon-free with carbon credits

The luxury boutique hotel buys credits from electricity retailer iSwitch whose plan also results in 20% cost savings

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HOTEL vagabond, a luxury boutique hotel, has become the first hotel in Singapore to become carbon-free after purchasing carbon credits which offset carbon emissions produced in the process of generating electricity that the hotel uses for the next two years.

The United Nations-certified carbon credits were purchased from electricity retailer iSwitch, whose plan for the hotel also resulted in 20 per cent cost savings compared to the usual tariffs, said its director of marketing communications Valerie Loy.

Carbon credits are tradable certificates linked to a project or activity that reduces carbon pollution. The carbon credits bought by hotel vagabond would support the funding of a 199.5 megawatt wind farm in Hebei, China.

In total, about 650 tonnes of carbon dioxide and equivalent emissions that are generated by the hotel's use of 1,440 megawatt-hour of energy will be offset, said iSwitch. This is equivalent to removing 137 cars from the road for a year.

Ms Loy said the hotel also considered other options, including using solar energy, but "at this point (this) was an attractive proposal that allowed us to save costs and do our part for the environment".

iSwitch, which recently launched the electricity plan with carbon credits, said this plan has been well received, especially as government agencies and private companies alike become more carbon-conscious.

The firm is in talks with potential customers in other sectors, including those in manufacturing, said general manager of wholesale and trading Andrew Koscharsky.

Asked why consumers who want to go green should buy carbon credits instead of using solar energy, Mr Koscharsky replied: "It's a matter of economics. People often don't want to pay a lot more."

Because of the low oil price, conventional energy is still cheaper than solar for now, he said. Furthermore, the plan offered by the firm gives consumers flexibility in making yearly decisions rather than the 20-year tenure needed for an investment in solar panels to pay off, he added.

"It's about giving the customer flexibility, not having to lock into anything long term, and taking advantage of low oil prices."

The latest development comes as competition in the electricity retail market intensifies ahead of the full liberalisation to include households next year, and retailers try to out-do one another in their offerings

Sunseap, which bills itself as the largest clean electricity retailer in Singapore, sells a clean energy plan that uses solar power.

Another retailer, Red Dot Power, offers demand management schemes that allow consumers to be paid in response for cutting back electricity demand during peak hours.

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