

**Institute of Energy and Sustainable Development
De Montfort University**

Response to:

**The Performance and Innovation Unit (PIU)
PROJECT SCOPING NOTE Energy Policy**

September 2001

The following represents a summary of the Institute of Energy and Sustainable Development response to the Performance and Innovation Unit (PIU) energy scoping document considering

Key Recommendations

- That the HEES and EEC schemes be Linked in to targets set by the regional authorities thus allowing Local Authorities to use these schemes to help meet the targets of their Local Energy action plans. This should include Ofgem liasing with Local Authorities to ensure that the targets they set for suppliers by 31st January 2002 are in line with HECA Strategies and their Climate Protection strategies.
- That the government should establish a single focus of responsibility within Whitehall for a national sustainable energy strategy, with the power to coordinate all government interventions at regional and national level.
- That the Government Encourages Local Authorities to collect quality baseline data information on energy sources and emissions i.e. by the nationwide adoption of a Scheme similar to the Councils for Climate Protection pilot. Local targets should be set based on national policy and responsibility for monitoring and progression to these targets be placed on the Local Authorities with commensurate funding.
- There should be a long ranging national energy policy that coordinates national and regional energy targets and has a holistic approach to energy efficiency integrating renewable energy, Combined Heat and Power, transport and planning.
- That the Government should recognise the importance of behavioural change and the role Local Authorities can play in awareness raising (in education and amongst the public) and providing advice to businesses and homeowners.
- That the Government should encourage Local Authorities to set a good example “in house” by regularly training staff in energy efficiency and integrating energy efficiency in to all internal decision making demonstrating that the Local Authorities “Practices what it preaches”.
- That funds are made available for massive investment in energy efficiency in homes and businesses. There is also a need for a much greater emphasis on the development of renewable energy.

RESPONSE

The national government policy on energy suffers from a fragmented approach. Some of the critical opposing goals of energy policy have been highlighted by PIU however these conflicts are largely a product of the way energy is delivered. Movement to an energy service approach can readily remove the conflict between prices signals. Consumers which to purchase energy services not fuel. Producers should be encouraged to maximise energy services per unit fuel

The Government has a number of programmes to deliver increased energy efficiency in the domestic sector as HECA, HEES, EESoPs 4 and EEC. Many are aimed at alleviating fuel poverty.

Currently these schemes work independently of actions taken a Local Authorities and they are not involved with the distributions of grants (under HEES) or the setting of targets for energy suppliers (EESoPs 4 & EEC). This makes it difficult for Local Authorities to know if they are achieving their own targets for energy efficiency set out in their Home Energy Conservation Strategies and their Climate Protection Strategies. At present the Funding from The Government for HEES and EEC is working in direct competition with the Local Authorities work. This system would benefit from coming under a single leading regional authority since the Local Authorities will have identified the areas for improvement in their HECA reports.

Many Local Authorities have developed there own Energy Strategies or Greenhouse gas emission reduction strategies and that some Regions have also done this. OFGEM should therefore require utilities to work to these strategies when delivering the energy efficiency commitment.

Similarly, the Renewable Obligation, Warm Homes etc should also be implemented under these policies. Local Authorities (and Regional Bodies) have developed the strategies. Govt. should insist that other partners work within these, rather than duplicating effort.

The Local Authorities need to be able to initiate dialogue and exert influence over the energy utilities in order to ensure that in meeting their targets under the forthcoming Energy Efficiency commitment (EEC) scheme they will be complimenting the work of the Local Authorities in achieving their own targets.

The Ofgem regulatory regime should give greater emphasis to greenhouse gas emissions, rather than economic regulation.

Local Authorities should push for higher energy taxes so that the revenues from these can go back in to the local community in the form of energy efficiency grants for technical measures such as insulation and double-glazing.

Energy suppliers must be encouraged to make money from supplying energy efficiency improvement resources; the utility regulators should make it more profitable for them to do this.

There is currently minimal statutory duty for local authorities to deliver energy efficiency improvement, only the Home Energy Conservation Act. A Local Authorities role should be wide-ranging and comprehensive. It should cover energy in its widest sense across all sectors. That is, it should include the entire community rather than only local authority buildings and functions. The major barriers to local authorities are:

- Lack of coordinated long term policy on energy coming from central government.
- Lack of legislative powers handed down from central government to Local Authorities to set tougher standards for planning for example
- Lack of legislation to encourage energy efficiency
- Non technical barriers preventing investment in energy efficiency
- Lack of strong political leadership in many local authorities, since energy efficiency is not seen as a municipal priority
- Lack of suitably trained officers in Local Government

One of the most confusing elements of energy efficiency is the myriad of different organisations involved in giving advice or delivering energy efficiency savings. These include energy efficiency advice centres, local and regional energy agencies, renewable energy advice centres, the Energy Saving Trust, the Energy Efficiency Office, ETSU, BRECSU, the Environment Agency, Government Officers, the Carbon Trust, Age Concern etc. It is very difficult for the general public to understand the different roles and responsibilities of different organisations. The most effective way of clarifying the matter would be to have local authorities co-ordinating all the initiatives within their area. There by achieving a one stop approach for the general public.

There is a need for a single focus for energy efficiency in central government, which can coordinate between Government targets and actions and those at local authority level

To effectively reduce green house gas emissions Local Authorities (Local Authorities) must develop a climate protection strategy which involves them identifying and creating an inventory of energy use, identify measures to reduce Green House Gas emissions, implement, monitor and measure these. A suitable model would be that used by the I&DeA/DEFRA Cities for Climate Protection (CCP) pilot project, which is currently being trialed, in 24 UK local authorities (including three Partnership authorities). This model aims to help the CCP pilot authority by enabling them to:

- Conduct a baseline emissions inventory and forecast emissions growth.
- Set an emissions reduction target
- Develop an action plan to meet the target
- Monitor and verify the outcomes of the plan

Energy efficiency promotion needs to be given a higher profile in the work of the regional government offices, and fully integrated with their other responsibilities.

Local authorities should be empowered, encouraged and funded to give energy efficiency advice to businesses in the course of all their regulatory, advisory and partnership contacts with businesses including building control, environmental health and licensing functions as well as economic development activities. Training for this will be needed

There is potential a real role for the regions in the delivery of sustainable energy. The regional have had to establish regional renewable targets, they are also working on housing and environmental issues as well as optimal planning. Strategies to combat climate change are likely to be delivered more effectively at a regional level. This would allow a more co-ordinated approach. Regions could establish and meet their own greenhouse gas reductions targets.

Renewable energies and CHP should become an integral part of energy services approach businesses and Local Authorities should identify where local and small scale renewable might act to offset their energy demand. These should be tied to energy efficiency measures to try to reduce overall demand

This report was prepared by Institute of Energy and Sustainable Development De Montfort University (Lee Allman, Dr Paul Fleming and Helen Chadwick) September 2001.