

CROSS-PARTY AGREEMENT ON LOWER FUEL BILLS...



The Association for the Conservation of Energy



'We need to help people pay their bills and we need to help to get bills down.'¹



Promised 20 month freeze on fuel bills



'giving deductions on people's fuel bills for two million of the poorest households in our country' should not end, he argued.²

... UNDERMINED BY THREE DCLG POLICIES

Higher Fuel Bills

1

Repeal of The Planning and Energy Act

This Act, introduced by Department of Energy and Climate Change (DECC) Minister Michael Fallon MP

enables councils to require new developments to be more energy efficient and to include cost-effective on-site generation.

Fellow DECC Minister, Gregory Barker MP called it 'excellent'. Mr Cameron promised 'we will ensure that this legislation is implemented in full'. Mayor Johnson used the Act in his London Plan. As a result both residential and non-residential developments will be 40% above building regulations by 2016 because of 'energy efficient design of the site, building and services'.

This will mean lower fuel bills for households and businesses – increasing their efficiency.

63% of new homes will have local and onsite generation by 2014–16, **providing cheaper fuel and lower fuel bills for Londoners.**

On September 9 Mayor Johnson told the Greater London Authority that DCLG's proposed repeal could jeopardise this.

The figure outside London is 24%. Merton Council estimates that the Act could save 160,000 tonnes of CO₂.

DCLG now proposes to end the power of councils to require higher standards.



LONDON MAYOR BORIS JOHNSON – VISION UNDERMINED

Higher Fuel Bills

2

Scrapping the 'consequential improvements' policy

This was a DCLG policy idea that meant that when people extended their homes they would also need to improve the energy efficiency of the property.



EDWARD DAVEY, MP UNDERMINED BY DCLG

In January 2012 the DCLG's own consultation on this matter said that it would save the economy £11 billion; save 130 million tonnes of CO₂ and lead to 2.2 million households taking up the Government's Green Deal policy **and thereby having lower fuel bills**. DECC Secretary of State Edward Davey said the policy 'had merit'.

In November 2012 DCLG scrapped the policy!

Higher Fuel Bills

3

Watering down changes to Building Regulations

Finally, DCLG watered down promised changes to the Building Regulations that were designed to increase the energy efficiency of new homes and promote small scale cost effective energy generation in order to fulfill the commitment to zero carbon homes by 2016 by achieving a 'halfway point' by 2013.

As a result fuel bills will be a third higher than expected for already hard up consumers – see Table 1 over page; 15 Mt extra emissions of CO₂; damage to industry and jobs; an increase in the number of homes that do not meet energy efficiency standards and therefore require retrofit energy efficiency installations in the future at much greater cost.



GEORGE OSBORNE, MP COMMITMENT UNDERMINED

This seriously threatens the Chancellor George Osborne's commitment, made in his March budget, to zero carbon homes by 2016.

**BAD FOR INDUSTRY:
BAD FOR JOBS:
BAD FOR UK PLC**

SEE OVER

CURRENT POLICIES – FURTHER IMPACTS

BAD FOR INDUSTRY, BAD FOR JOBS

In his February speech to the Royal Society Mr Cameron appealed to industry and investors saying:

'You are the companies and contractors that can develop Britain's expertise in energy efficient technology, you are the global investors who can get behind (them)... you are the manufacturers who can use this technology to cut their costs... create new jobs and win new contracts for Britain.'

But DCLG policies have had the very opposite effect. Take Building Regulations for example – not only watered down but delayed for over a year. The leading companies said:

'Missed opportunity to create jobs'

Bill Rumble, Chief Commercial Officer, Mark Group:

'In preparing for future growth we are investing in a highly skilled workforce. Opting for a watered down approach would be unsupportive and result in a missed opportunity to create more jobs.'

'Loss of confidence'

Martin Fahey, Sustainable Solutions Manager, Mitsubishi Electric:

'We have heavily invested in heat pumps, including in UK-

based manufacturing facilities and any delay or watering down of promised policies would result in confidence being lost by us and others who are investing in this industry.'

'A huge impact on future investment'

Alex McLeod, the Chief Executive of Superglass Insulation PLC:

'The timetable for implementation of Part L Building Regulation timetable... is critical to investor confidence... any delay in the implementation of Part L will have a huge impact on our future investment plans.'

'Less investment and fewer jobs'

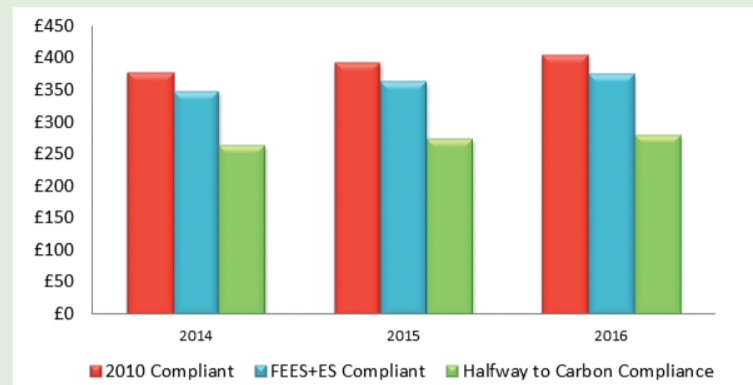
Robert Barclay Managing Director (UK) and ROI of SIG PLC:

'If the Part L 2013 amendment is postponed or weakened this is not only disappointing for those who endeavour to differentiate through innovation but it will further knock confidence in our business and the wider sector which will inevitably result in less investment and fewer jobs.'

DCLG POLICIES: BAD FOR FUEL BILLS

Table 1. Average household energy bill (£/year).

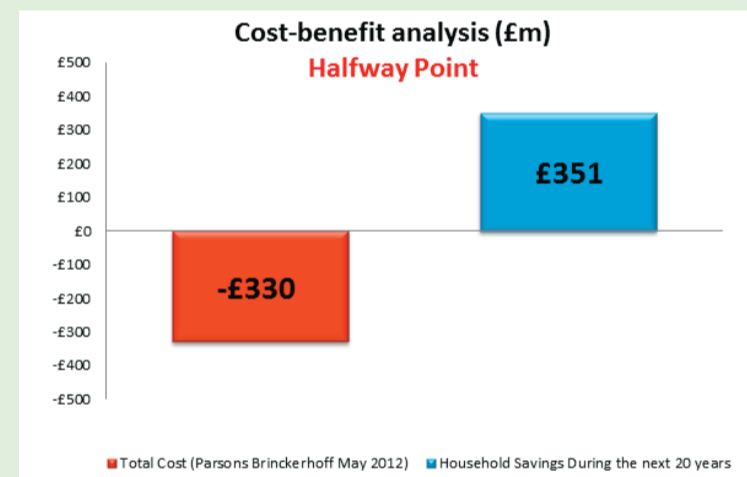
The green column shows what average fuel bills would have been had the changes to the building regulations not been watered down.



BAD FOR UK PLC

Table 2. This chart below shows that "the Halfway to Zero Carbon Homes approach would generate a net benefit to the economy of £21m".

The analysis is based on DECC latest energy prices and DCLG Co2 emission factors, Parsons Brinckerhoff (May 2012) PV cost, and DCLG dwelling assumptions. Yet this policy was abandoned – so homes will be less efficient because they will not have small scale generation – and the losers will be UK PLC – and consumers – as Table 1 shows.



Source: Ecuity modelling based on information from DECC Impact Assessments; CCC 4th Carbon Budget figures; and other public sources

BAD FOR CO₂ EMISSIONS

We noted over page that the scrapping of the consequential improvements policy cost the UK PLC £11 billion pounds **according to DCLG's own figures**. But the wastage is even greater.

1. That policy will increase emissions of CO₂ by 130 million tonnes.
2. The scrapping of the Planning and Energy Act will increase the emissions of CO₂ by 160 thousand tonnes.
3. The watering down of building regulations will increase the emissions of CO₂ by 15 million tonnes.

But the UK has legally binding CO₂ reduction targets, so an increase in CO₂ emissions because of some policies has to be compensated for by other policies. Yet according to modelling based upon Department of Energy and Climate Change information (see Table 1) the watering down of Building Regulations, for instance, will actually have a net cost to the economy.

It makes no sense therefore **from a purely financial view** to scrap these policies and have to rely on more expensive policies to achieve UK's CO₂ reduction target.

PLEASE HELP US TO GET DCLG ON SIDE BY

1. Writing to DCLG Ministers Eric Pickles and Stephen Mitchell MP asking them NOT to repeal the Planning and Energy Act
2. Asking your own MP to raise this matter with those Ministers and in Parliament by seeking 'an adjournment debate'.
3. Please let us know the results

Their addresses are xxxxx MP, House of Commons, London SW1A 0AA or by email. Most MPs have one of two standard addresses either:

jo.bloggs.mp@parliament.uk or bloggsj@parliament.uk