

## **AECB Evidence to Select Committee on Energy and Climate Change**

### **(1). Introduction**

To quote the ECC:

‘Addressing the balance of affordability, energy security, and sustainability remains a challenge for policy development. As many of DECC's existing policies are scheduled to come to an end between now and 2020, early action in the new Parliament is needed to deliver affordable and secure energy and keep the UK's emissions reductions on track.

The next year will be crucial to ensure continuity of energy policy into the 2020s, maintain investor confidence, and ensure that the right framework is in place to meet our decarbonisation targets.’

The ECC has asked for submissions, each up to 300 words, on:

1. What should be the ECC's scrutiny priorities over the next 12 months?
2. Which DECC policy areas do you think require particular scrutiny over the next five years?

## **(1). One Year**

### *Dangerous Climate Change*

Off the record, many qualified climate scientists believe that existing action is insufficient to limit the warming to 2 degrees K which is the GHG target set by the European Union to avoid 'dangerous climate change'. The ECC could investigate the apparent inconsistency between the policies and the target.

Because climate change is so pressing, this enquiry should be allocated to the first year of the new Parliament.

### *Clarification of Methodologies*

With a few exceptions, it is widely agreed that investment in more productive use of energy (energy efficiency) is very profitable and displaces CO<sub>2</sub> emissions at low or negative costs in £ per tonne. The awareness goes back decades:

'... It is our considered opinion that there are many energy [efficiency] measures which are so much more cost-effective than most energy supply investment that the caveats expressed by the Dept. of Energy are mere quibbles.'

Select Committee on Energy Report, 1981.

The ECC may like to focus on why the DECC investment priorities appear inconsistent with this general cost difference. In particular, why do several forms of energy supply which are clearly more expensive than energy efficiency receive higher priority? This disparity is extremely striking to many analysts and experts outside government.

40 years ago, Professor Arthur Rosenfeld termed *Negawatts* 'a giant oilfield in our buildings'. Since then, the UK has consumed much of its North Sea oil and natural gas. But instead of addressing the 'oil or gas field in its buildings' [and elsewhere], it continues to look for more oil and gas fields.

Much time has elapsed without unsatisfactory responses. To elucidate clearer answers, we think that the ECC may need to a) retain legal experts to carry out more searching cross-examination/s of witnesses, b) put witnesses on oath.

## **(3). Five Year Period**

### *Policy Review*

A. Rudd: 'Energy efficiency is the most effective way to reduce carbon and reduce bills - it is the win-win.'

The rate of energy efficiency investment (e.g. reduced heat loss from UK buildings or low-carbon heat networks) is low and, given the cuts in some programmes, falling.

- Is the right framework in place to meet our 80% GHG target?
- Take evidence on radical actions like a) setting up a strengthened and arms-length Energy Efficiency Deployment Office b) utility re-regulation so that energy suppliers could play a role in delivering energy efficiency?

### *Subsidies*

- Is DECC's policy of subsidising the least cost-effective measures the most - e.g. the RHI - is leading to a distortion of investment priorities?
- Is there a risk of scarce resources going into options unlikely to form part of an affordable GHG policy?

### *Housing, Social and Energy Policy*

A. Rudd: 'We must face up to the fact that we do have a housing crisis. Getting improvements to the existing housing stock seems like the really big prize to try to work with DCLG on. So, although we're not having new zero-carbon homes for now, we are working together on seeing what we can do for the existing housing stock.'

New inadequately efficient housing becomes part of the extremely inadequately efficient *existing* housing stock - creating a *greater* problem to rectify these next few decades.

The ECC could focus on policies and construction methods which could offer to achieve:

- a much higher dwellings construction rate combined with
  - more demolition of the worst stock [not the oldest]
  - better energy performance (than current building regulations) of the new
- So that the UK meets its housing policy, fuel poverty *and* GHG reduction targets.
- This inquiry needs to be undertaken in conjunction with other Committees especially Health.

### *Biomass*

UK's GHG reduction policies depend heavily on moves away from other energy sources to burning wood. But DECC's past Chief Scientist authored a study which found that wood was not CO<sub>2</sub>-neutral. In some circumstances, it caused more harm than burning coal.

DECC has advised OFGEM that wood burning can be considered carbon-neutral. The President of the United States, where much of this wood comes from, is on record as criticising this ['unscientific'] policy's impact on his country:

- The ECC may wish to take further evidence.