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Name:

Stephen Cunningham Scottish HECA Officers Network

Postal Address:

C/o Energy Action Scotland, Inram Street, Glasgow

1. Are you responding: (please tick one box)

(a) as an individual (go to Q2a/b and then Q4)

(b) on behalf of a group/organisation (go to Q3 and then Q4)



INDIVIDUALS

2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?

Yes (go to 2b below)

No, not at all (We will treat your response as confidential).

2b. Where confidentiality is not requested, we will make your response available to the public on the following basis (please tick one of the following boxes):

Yes, make my response, name and address all available

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3 The name and address of your organisation **will be** made available to the public (in the Scottish Executive library and/or on the Scottish Executive website). Are you also content for your **response** to be made available?

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4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

Yes

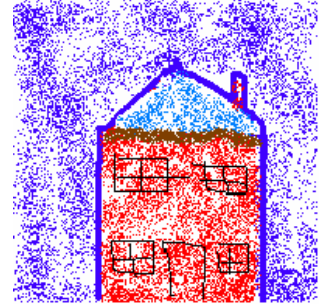


No

Secretariat:

Energy Action Scotland
4th Floor, Ingram House
Ingram Street,
Glasgow

Scottish
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CONSULTATION – SCOTTISH EXECUTIVE

"ENERGY EFFICIENCY AND MICROGENERATION – ACHIEVING A LOW CARBON FUTURE – A STRATEGY FOR SCOTLAND"

RESPONSE FROM THE SCOTTISH HECA OFFICERS NETWORK

SHON represents every Local Authority in Scotland and is constituted of the officers with strategic or practical responsibility for domestic energy efficiency and fuel poverty.

1. General

- 1.1 The full members of the Scottish HECA Officers Network welcome the lead here exhibited that must be taken by the Scottish Government in addressing carbon dioxide emission reduction to meet Climate Change Programme targets. While having concerns over the lack of direction and indicated support for community based schemes we do endorse efforts to significantly improve energy efficiency and agree that this is just part of the strategy that needs to be developed and implemented. Energy source is the principal issue.
- 1.2 In that context it is considered microgeneration has a role in the production of sustainable energy but we are considerably more cautious in considering its significance as a contributor when assessed against the barriers that exist to its wide introduction, including that of cost effectiveness. That apart, it is regarded by the network as part of the technological advancements that must be made to address the energy supply question. In this regard its efficiency and application must be developed. We do not agree that its significance in contributing to tackling climate change is as strong as the strategy suggests, nevertheless it has a part to play and government needs to take a positive lead.
- 1.3 We are particularly concerned that the role of small and large scale community schemes are not properly represented as the most likely way to deliver cost effective solutions in terms of capital investment, ongoing costs and embodied energy.

2. Setting the Scene (chapter 1)

- 2.1 While various CO₂ reduction targets have been set at international and European levels, the proposed statutory UK target of 60% by 2050 is the most ambitious and challenging. This, therefore, needs to be the driving force of the strategy and the foundation of the resulting action plan that will arise from it. The strategy does not reflect on the step-by-step achievements that will have to be made to reduce CO₂, nor on the successive phasing of targets that will be required on 5 year cycles to meet it. The action plan should address these.
- 2.2 Energy efficiency alone will not be sufficient to enable Scotland to meet its target, let alone any more ambitious ones that may be set. It is agreed that energy from sustainable sources, presently at 13% of electricity generated, will not be significantly assisted by microgeneration. In the context of the 40% target of electricity being supplied by renewable sources by 2020 the strategy fails to identify what proportion of this should come from microgeneration. While research is referred to that suggests by 2050 widespread installation could provide 30-40% of Scotland's electricity needs, this is seriously questioned as either being realistic or reliable in relation to the current effectiveness of the technology or its application and the technological advances required. To achieve this will require significant investment and commitment by the industry.
- 2.3 It is noted that transport is introduced as an energy issue but it is agreed that in the context of the strategy this is not the place to address what are separate and equally challenging carbon balancing matters. However, it is not clear why the Executive should treat a Renewable Heat Strategy as a separate issue when the technologies so overlap.

3. Energy Use in Scotland (chapter 2)

- 3.1 The analysis provides a valuable focus on domestic consumption of energy and its increasing importance as the principal demand on electricity supplies, for heating and lighting. The disadvantaged climatic influences, shorter days etc, due to Scotland's geographic location, is a constraint but the distribution of its population could, by contrast, provide opportunities for decentralised energy generation. Whether there are such opportunities is not analysed but, in the central belt in particular, this requires assessment to identify possible strategic direction and investment needs. An example would be anaerobic digestion in relation to area waste management as an integrated approach to energy generation.
- 3.2 The Energy Saving Trust estimates for the ongoing effect of energy advice is believed by our members, many of whom provide and support such services, to be overstated. In particular we believe that this has led to proposals for a national advice centre, the proposed SEN's, with substantial resource requirements which many also believe will divert resource allocation from the more distant or rural areas. While it can always be argued that resources should follow need, the danger is that pockets of extreme need, being served by local and tailored services built up over many years and having spent many years building relationships with funders and service designers and policy makers, will be sacrificed to allow the imposition of an imposed structure based solely on advice and without the structure or desire to directly maximise measures installed or to facilitate or direct grant funding to allow others to interact with them locally to provide tailored services.

4. Changing Our Behaviour (chapter 3)

- 4.1 Raising awareness to create a cultural change in energy use (efficiency) and conservation relies on the combination of targets, regulation and the cost interpretation for users. Changing behaviour of industry is probably more to do with cost savings and overheads than their commitment to carbon dioxide emission reduction. Yet, the approach being taken by the Executive and others is beginning to make inroads and similar efforts need to be targeted at the domestic sector. In this context a one-stop shop to provide advice would be welcomed, to simplify the advisory sources available to the public and we would consider that this should retain a high quality local provision engaging with local stakeholder groups and individuals. However we would emphasise our belief that any 'one stop shop' would be severely reduced in value if it did not also offer a clearing house for grants.
- 4.2 While raising awareness campaigns can have an impact this is no substitute for ensuring improved interpretation and awareness of what consumers are using (as explained in chapter 4). The good practice that consumers can apply to save energy needs to be translated into the actual cost saving benefits and this is very difficult to assess under current practices applied by energy providers when billing customers.
- 4.3 The benefits of the Eco School Programme are fully recognised by many councils, and in our Chair's local council, West Lothian Council, all of its primary schools are now registered to achieve Green Flag status. The support of the Scottish Government for this innovative educational focus must be sustained. In addition the commitment to introduce the 'carbon footprint' into the programme is considered to be a realistic application of an educational tool with more meaning than when applied at other levels. The tool should be regarded in the strategy as an integral development of the Green Flag award.

5. Knowing What We Use (chapter 4)

- 5.1 The present standard energy recording and billing methods are archaic and any innovation that assists the interpretation and awareness of energy use in the home or work place has to be welcomed. The use of smart meters, the interpretation of use patterns, carbon dioxide emission generated and linked advice on how savings can be made are not beyond the abilities of suppliers. We welcome information we are getting from utility partners that separate usage meters are to be distributed free under the new renamed Energy Efficiency Commitment and consider that this will have some effect in consolidating behavioural change. An equivalent to display the current costs of gas usage within the house would also be welcomed.
- 5.2 The matter of regulation on manufacturers of energy using products is at the EU and UK level but the Scottish Government must identify its role through procurement in the public sector and through its influence of the economic sector to eliminate energy inefficient products through regulation, where this might be applicable, or through advice. Improving the energy efficiency of products, while the priority, is not the only way this problem can be addressed.

6. Changing Our Buildings (chapter 5)

- 6.1 It is agreed that developers need to consider onsite generation of renewable energy at the design stage but, with the barriers that have to be overcome, this will not necessarily lead to the technologies being applied unless they are cost effective. Government will need to consider its role in encouraging the application of the technologies alongside industry, developers and planners.
- 6.2 To remove or reduce some of the planning requirements associated with installing microgeneration must be linked to the effectiveness of the technology. In many instances there will be factors that will reduce this and this will make it difficult to determine whether a particular microgenerator should be allowed as permitted development. For example, in an urban situation the effectiveness of a small scale, domestic wind turbine may be more of an environmental statement than one that has any impact on energy generation. This should not be a reason for dispensing with planning requirements. The government has a responsibility to protect the public from the overselling of the benefits of microgeneration while the benefits in Scotland, for many of them, remain questionable.
- 6.3 We further consider that decentralisation does not necessarily entail full disaggregation to the individual level but in many if not most situations would find a 'best value' level at some level of community scheme where the aggregation of supply and demand would lead to less cycling of equipment, economies of scale in the mechanical equipment and inherent embodied energy as well as a higher likelihood of proper maintenance, as such schemes will likely be installed by utilities, builders or housing management organisations. The benefits of lossless transfer will be maintained, as in the individual scenario, but the community model better allows the integration of several technologies to work in balance between generation, storage and use.
- 6.4 As the technologies improve so building standards have to be modified to accommodate them. Therefore, regular reviews are necessary and the further planned review for 2009 must be welcomed.
- 6.5 While the Network welcomes the help given to small scale and microgenerators to receive Renewable Obligation Certificates individual householders need to be encouraged to participate and the qualification levels reduced. This is the kind of direct action that the government can take to stimulate the application of the technologies.
- 6.6 The display of energy performance certificates (EPC's) by public sector organisations will not necessarily encourage the setting of more ambitious goals for enhancing energy performance. The drive to reduce energy bills will be what encourages this since what is spent on energy cannot be spent on delivering public services. It will be a public awareness act not necessarily one that influences change and the Executive will need to keep this under review. Further, the certificates will not reflect the operational cost of a building. Both asset and operational ratings should be displayed and the latter updated annually if the information is to be meaningful.
- 6.7 Similarly the use of the EPC's in the domestic sector will not have the direct effect that was hoped, of pushing the desire to install measures to save money and to increase the value of the house at the time of its sale or transfer, certainly within the current paradigm of house price setting by location primarily, then amenity and aesthetic. Until there is a paradigm shift where the profligate use of energy is either socially unacceptable or prohibitively expensive, will the mere note of a buildings energy performance have any meaningful effect. Additionally, the fact that EPC's will not require to be renewed at each transfer, just 'produced' and will not need to be renewed at major upgrades, will work against a social driver effect. The effect on social housing providers is already built on drivers arising from legislation on energy efficiency and fuel poverty.

7. Improve Our Homes (chapter 6)

- 7.1 To encourage homeowners to be proactive in energy management requires the availability of information on the financial and carbon savings that could be made by investment in different types of energy efficiency. Yet, as is illustrated in the chapter, there is a high proportion of houses for which not all insulation methods apply. Nor would they be cost effective without the provision of incentives. Energy efficient standards will have to be delivered by a variety of mechanisms.
- 7.2 The whole energy supply regulation model has to be reviewed to allow for the confident investment in Community Schemes where these are determined to be the Best Value approach.

8. The Public Sector Leading by Example (chapter 7)

- 8.1 To achieve reductions in energy consumption by public bodies there is a reporting need if targets are to be monitored. This would also facilitate the measuring of achievement for future target setting. The Executive needs to work with local authorities to develop ways of monitoring, benchmarking and reporting. This is fundamental in relation to future action plan delivery.
- 8.2 The role that local authorities have to play is illustrated in the Scottish Climate Change Declaration which will, if it is properly implemented, necessitate the adoption of an Energy Strategy which will demonstrate both the challenge and the return through energy savings that can be made by the setting of targets and raising staff awareness leading to behavioural changes.
- 8.3 The Network consider that the draft consultation strategy takes a very weak view of the role of local authorities, either as users of energy or as key influences through service delivery and raising public awareness.
- 8.4 We further consider that it also inadequately explains the intention to set targets for reducing emissions, what these might be and how they are to be delivered. In itself this recognises that the voluntary approach may no longer be appropriate. The implications of performance measures need to be assessed and adequate consultation undertaken before being set, to enable councils to consider the implications as well as considering how to respond.
- 8.5 The Network will welcome further guidance on how procurement can contribute to energy efficiency, as an important element of achieving higher standards. It is regarded as being both highly influential on manufacturers and suppliers as well as contributing to the response of local authorities to energy use efficiency.
- 8.6 The Network broadly agrees with the conclusions of the McClelland Report. For councils to procure energy through collaboration there is a need for accurate consumption data being provided to potential suppliers. A consistent approach may not be reflected across different councils which could disadvantage those with good monitoring data.
- 8.7 We further consider that the role of procurement is too narrow and historically has interpreted best value on a cost base alone. Given the necessity to use procurement as a public and industry driver, new guidance on procurement should perhaps be proscriptive on issues to be taken into account such as in a Regulatory Impact Assessment and the procurement decision should be reported against its support of key climactic, energy and best value issues.

9. Conclusion

- 9.1 The Network welcomes the general approach of the strategy in setting the context for the associated action plan to be published later this year. It is anticipated that the influence of the proposed UK Climate Change Bill and the proposals within the UK White Paper on Energy, announced on 22 May, will be reflected in this through their further impact on the strategy. However, it is for the Scottish Government to lead on this issue at the national level and the draft strategy generally describes the way forward.
- 9.2 The role of microgeneration remains unclear because of the barriers that exist to the widespread introduction of the various technologies. The emphasis on energy conservation and efficiency of use is the real focus of the strategy. Microgeneration is no substitute for the renewable energy sources that will be needed to serve Scotland's energy requirements. It is one element of the overall energy formula to meet these needs but, nevertheless, work is still required to remove the barriers that interfere with its potential value.
- 9.3 In considering the disaggregation of energy production we do not feel that the role of and value of community schemes is properly considered. The barriers to such schemes are well known in terms of co-ordination of individuals, the 28 day supplier transfer rule and the start up costs out of sync with individual replacement cycles, but previous evidence from Aberdeen and elsewhere has shown that if a scheme is available, individual households will buy in as their own replacement cycle manifests.

Signed of Behalf of the Scottish HECA Officers Network



Stephen Cunningham
Chair