

Energy Efficiency Unit
Scottish Executive
Enterprise, Transport and Lifelong Learning Department
2nd Floor, Meridian Court
5 Cadogan Street
Glasgow
G2 6AT



11 June 2007

Dear Sir/ Madam

ENERGY EFFICIENCY AND MICROGENERATION

EDF Energy is one of the UK's major energy companies and is a subsidiary of EDF Group, one of Europe's largest energy companies. EDF Energy maintains the electricity distribution network infrastructure in London as well as in the South East and the East of England, providing power to a quarter of the country's population. We are active in both generation and supply, owning and operating over 5GW of power station capacity, and supplying gas and electricity to over 5m residential and business customers across the UK, under our national brand, EDF Energy.

We welcome the Executive's aspiration to exceed Scotland's share of UK carbon savings by one million tonnes, and we acknowledge that achieving this target will assure Scotland's reputation as a leader in the drive to mitigate climate change. EDF Energy agrees with the Executive that reducing energy consumption is an important factor in delivering the required carbon emissions reductions. We therefore welcome this opportunity to provide feedback on the draft version of the Scottish Executive's first Energy Efficiency and Microgeneration Strategy for Scotland.

Energy Efficiency

EDF Energy believes that significant scope remains for improvements in domestic energy efficiency. We support the Executive's drive to significantly improve energy efficiency and limit the carbon emissions from new developments by introducing new Scottish Building Regulations, creating the UK's most demanding requirements for the thermal insulation of new buildings.

We agree that a 'one-stop-shop' approach to advice and support could help the many householders in Scotland, who want to take action to mitigate their impact on the environment, but at present are unsure of where to get reliable advice.

The introduction of new technologies, such as smart meters, could play a significant role in encouraging energy efficient behaviours. However, we do not support the UK government's May 2007 Energy White Paper proposals that prior to the roll-out of smart metering, suppliers should provide customers with stand alone monitors that display information on electricity use. Much greater benefits will be delivered by electricity and gas smart meters, which will include an information display. Roll-out of stand-alone electricity monitors could undermine the case for the long term, universal and rapid roll-out of smart meters.

Microgeneration

We believe that microgeneration technologies have the potential to make a valuable contribution to delivering the Executive's energy efficiency and carbon emissions reductions targets. However, at present, many microgeneration technologies are very expensive and the promised environmental benefits are unproven. In addition, our own analysis shows that fossil fuel microgeneration technologies such as micro gas fired CHP will not always deliver lower carbon emissions when compared to electricity from conventional power stations and heat from modern condensing boilers. This view was substantiated by the Carbon Trust's small scale CHP field trials in 2005.

We do not agree with the Executive's proposal to set a target for microgeneration in Scotland. We believe that the role of government is to set and enforce carbon emissions reductions targets, with developers and householders given flexibility in how they achieve the specified reductions in emissions. Microgeneration will not always be the most cost effective solution for reducing carbon emissions.

We believe that the Executive can usefully assist the development of microgeneration through the increased provision of financial support and by improving the availability of information regarding microgeneration technologies. We welcome the Executive's proposals in these areas.

Finally, we welcome the proposed extension of permitted development rights for microgeneration to households and commercial premises. This will remove a significant barrier to the uptake of microgeneration.

We hope that this response to the Executive's strategy will be helpful. Please do not hesitate to contact me if there are any queries arising from our comments or if you think that further discussion would be useful. We look forward to the publication of the final version of the Energy Efficiency and Microgeneration strategy and the publication of the Executive's Action Plan

This response is not confidential.

Yours faithfully

A handwritten signature in black ink, appearing to read "D. Linford".

Denis Linford
Director of Regulation