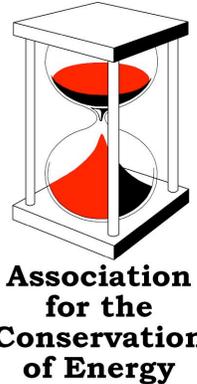


Ross Gilligan
Room 4.06
The Scottish Parliament
Edinburgh
EH99 1SP



17 March 2006

Dear Ross

ENERGY EFFICIENCY AND MICROGENERATION BILL PROPOSAL

Please find attached a response to Sarah Boyack MSP's consultation on her proposed 'Energy efficiency and microgeneration' bill on behalf of Friends of the Earth Scotland and the Association for the Conservation of Energy.

Friends of the Earth Scotland and the Association for the Conservation of Energy are supportive of the proposed bill, and welcome the opportunity to comment on it. We would be happy to provide further advice or assistance as the bill progresses.

Yours sincerely



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Energy Efficiency and Micro-generation Bill

**Friends of the Earth Scotland
Association for the Conservation of Energy**

Consultation response March 2006

Introduction

Friends of the Earth Scotland (FoES) is an independent member of the Friends of the Earth International network, with 5,000 individual members. We undertake research, advocacy and community development activities throughout Scotland in pursuit of environmental justice and sustainability. We are a Scottish charity, established in 1978.

The Association for the Conservation of Energy (ACE) was formed in 1981 by a number of major companies active within the energy conservation industry. ACE exists to reduce overall energy demand to ensure a secure and sustainable energy future. It does this through lobbying, campaigning and carrying out research to achieve sensible and consistent policy, legislation and targets; by raising a positive awareness of energy conservation and by encouraging increased investment in all appropriate energy saving measures.

Friends of the Earth Scotland (FoES) and the Association for the Conservation of Energy (ACE) warmly welcome the proposals set out in the Energy Efficiency and Micro-generation Bill consultation document. We believe that in order to reduce climate change emissions, tackle fuel poverty and provide energy security, Scotland must grasp the opportunity which energy efficiency and micro-renewables present. In order to do this, the Executive must put the right policy framework in place. The proposals set out in the Energy Efficiency and Micro-Generation Bill would help to deliver such a framework.

General Comments

The policy context into which this bill is proposed is mixed. The Scottish Executive have made considerable investments in reducing fuel poverty through their Warm Deal and Central Heating Programmes, but because of recent fuel price rises, and because Scottish homes are not as energy efficient as they should be, Energy Action Scotland estimates that around 140,000 Scottish households have fallen back into fuel poverty since 2002. While the recent Executive announcement of a pilot project to include micro-renewables in the continued Central Heating Programme is welcome, a lot more must be done if the Executive are to hit their target of abolishing fuel poverty in Scotland by 2016.

Scotland currently has an obligation to play its full part in helping the UK meet its target of reducing greenhouse gas emissions by 20% on 1990 levels by 2010 and the further aim of reducing emissions by 60% by 2050. A range of measures will be necessary to achieve these targets, including energy efficiency, large scale renewable energy and micro-renewables. This bill proposal will help to reduce greenhouse gas emissions in Scotland.

Specific comments

1. What do you consider are the benefits of the legislative approach in promoting small scale renewable energy production in both existing buildings and new developments?

FoES and ACE are very supportive of the proposed legislative approach to promoting small-scale renewables. The proposal to amend building regulations and give micro-renewables permitted development rights is warmly welcomed. The proposals on national and local targets and on financial incentives for the installation of micro-renewables are also supported. Together, we believe these measures could substantially shift the Scottish policy framework in favour of micro-renewables.

2. What disadvantages, if any, do you think there might be with this approach?

We do not see any disadvantages in the proposed approach.

We are aware that some have argued that requiring higher energy efficiency standards in housing, or using building standards to require micro-renewables, might act as a brake to development or push up the cost of housing. We disagree with this view – Merton Borough in London has shown that a requirement to install micro-renewables does not act as a brake to development, and any possible increase in the purchase cost of more energy-efficient housing would be offset by the decreased energy costs.

3. What are your views on the following specific measures as outlined in the paper?

i amendment of building standards;

We support this proposal, which has worked well in a number of pioneering local authorities in London, specifically Merton and Campden. Initial opposition from some developers on the grounds that it would lead to developers going elsewhere have proved unfounded.

ii setting targets and annual reporting of progress;

We believe that ministers should be statutorily obliged to establish targets and timescale for the promotion of micro-generation capacity.

Robust targets create an incentive for action and are, in our view, essential to ensure that progress is made in this area. Other policy areas (for example waste management, renewable electricity) have shown that robust targets backed by an action plan can deliver results.

The Scottish Executive's existing targets for renewable electricity generation have been very successful in developing large-scale onshore wind, but have been less successful in promoting other technologies or micro-renewables. A micro-renewables target would help to address this.

As with large-scale renewables, statutory targets would give industry the confidence they need to invest in new technologies and research. Without stable policy framework

established through high level targets set through legislation, the micro renewable industry may find it very difficult to make long-term decisions on investment and recruitment.

As well as renewable electricity generation, we believe it is equally important to promote technologies which provide renewable heat, for example biomass boilers, heat pumps and solar water heaters. We welcome the Scottish Executive's recent announcement that they intend to legislate in this area, but would suggest that consideration should be given to inclusion of measures to address this issue in the bill.

iii encouragement of local authority measures; and

We are supportive of the local authority proposals outlined in the discussion document. In order to achieve more widespread roll-out of micro-renewable measures, it is essential that local authorities play their part in promoting micro-renewables.

iv administrative and financial incentives.

We are supportive of the proposed approach. Giving permitted development rights to micro-renewables will remove one of the current barriers to installation, and will help wider roll-out of these technologies.

Another current barrier to wider uptake of renewables is the cost of many of these technologies. Giving a financial incentive in the form of a council tax or business rate rebate, as proposed, would help to overcome this barrier and is therefore warmly welcomed.

4. Please elaborate on any views you might have on any existing small scale renewable energy policy initiatives, north and south of the border, and how these might relate to what is being proposed.

The Scottish Community and Householder Renewables Initiative (SCHRI) is a highly successful scheme to provide grants and information on small-scale renewables. It is run by the Energy Saving Trust on behalf of the Scottish Executive, and has been so successful that its funding was recently extended. The programme has been successful in stimulating demand for micro-renewables in Scotland. We have argued that SCHRI funding must be guaranteed on a longer-term basis, in order to provide the stability to allow manufacturers to invest and plan ahead. We would suggest that the existing SCHRI funding levels be doubled from the current level, and that a regular three-year funding cycle is introduced.

We believe that the proposed Energy Efficiency and Micro-generation Bill would complement the SCHRI programme.

5. What in your view would be the financial costs, if any, of what is being proposed?

As mentioned above, there may be some additional cost of requiring higher building standards, or of requiring a certain percentage of a building's energy use to be

generated on-site. However, we believe any small additional cost would be offset by the reduced ongoing energy costs of the building.

6. Do you consider there to be any equalities issues raised by what is being proposed? If yes, please elaborate.

We do not believe that the proposals raise any equality issues.

7. Please feel free to raise any relevant issues you consider have not have been covered in this consultation.

The consultation document makes specific reference to the use of micro-renewables to tackle fuel poverty. We believe that micro-renewable devices have considerable potential, when coupled with energy efficiency measures, to alleviate fuel poverty, especially in rural areas not connected to the gas grid, and we welcome the recent Scottish Executive announcement of a pilot project to explore the use of micro-renewable technologies in the Central Heating Programme. However, we are concerned that the Executive plan to wait until 2008 before rolling this out across Scotland – we believe sufficient research and analysis can be carried out within one year, to allow wider roll-out in 2007. Consideration should be given to inclusion of measures to address this issue in the bill.

At a legislative level the bill should oblige Ministers to take account of how micro-renewables can assist with meeting targets set under **Section 88 of the Housing (Scotland) Act 2001** regarding fuel poverty.

We would like to reiterate our support for this bill proposal, and congratulate Sarah Boyack MSP and her staff for having the foresight to bring it forward.

Friends of the Earth would be happy to provide further advice at later stages in the Bill's passage.

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