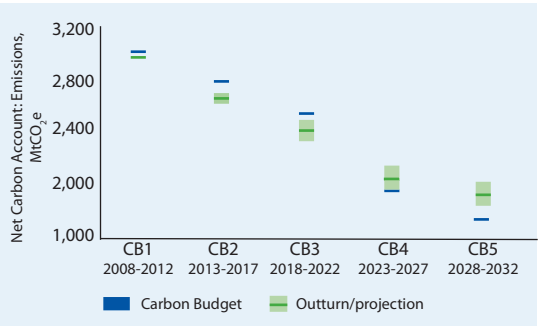


Examining the Government's progress in meeting its Clean Growth targets

Target

The government is aiming to reduce greenhouse gases by at least 80% by 2050 compared with 1990 levels. To help achieve this, the aim is to phase out the installation of high carbon fossil fuel heating (oil and coal) during the 2020s in homes currently off the gas grid, and to at least halve the energy use of new buildings by 2030 as outlined in the Government's Clean Growth Grand Challenge. The Government has also committed to upgrading all fuel poor homes to Energy Performance Certificate (EPC) band C by 2030 and as many homes as possible by 2035.



Progress

While the government met its first interim targets, called 'carbon budgets', progress towards future targets hasn't been smooth. Current policies which support the clean growth targets are:

Office for Low Emission Vehicles Grant Schemes
Grants are available for electric vehicle charging infrastructure at home, at work and on street.

Boiler Plus
Encourages energy efficiency by mandating requirements for heating systems when replacing a boiler.

Feed in Tariff (FiT) and Renewable Heat Incentive (RHI)
Financial incentives to support the installation of renewable heating and electricity generating technologies.

£4.5bn spend through RHI 2016-2021

Energy Company Obligation (ECO)
A programme to deliver energy efficiency measures in homes carried out by energy suppliers.

Since its launch in 2013 it has delivered 2.2m improvements in 1.8m homes.

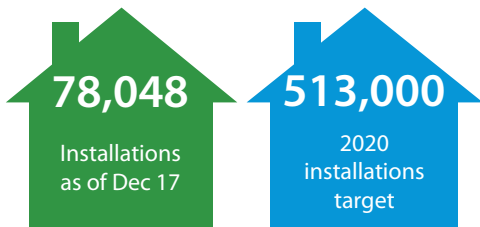
Smart meters
Help customers to consume less energy by displaying real-time usage information

Every home must be offered a smart meter by 2020

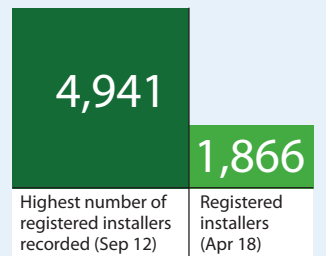
Challenges to the government achieving the next carbon budget

Government schemes designed to spur on take-up of renewable technologies and energy efficiency measures haven't had the desired effect:

The RHI is expected to miss its target by 80%.



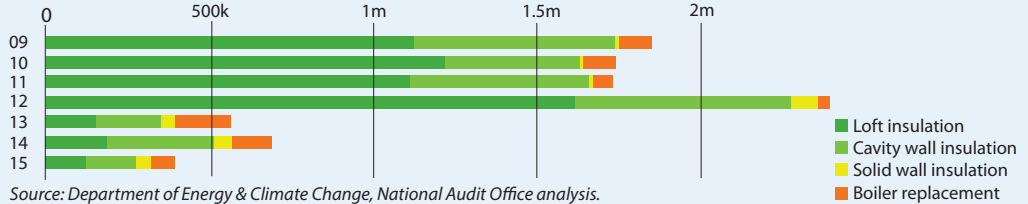
To be eligible for the FiT and RHI, consumers must use an installer who is a member of the Microgeneration Certification Scheme (MCS). Installer numbers have fallen dramatically:



Challenges to the government achieving the next carbon budget cont.

- ☀ Solar PV is reaching Grid Parity - how will installation standards be maintained when the withdrawal of subsidies means there is no longer a need to be MCS registered, and how will installations be encouraged?
- ☀ Energy storage is considered to be key to further renewable electrical generation but there is no scheme to ensure compliant installation work
- ☀ The Green Deal and ECO were designed to help homes and businesses fund energy efficiency improvements, but haven't seen the desired take-up and have been nowhere near as successful as previous policies

Green Deal/ ECO launched 2013



Proposed solutions

- ☀ Set out a long-term strategy for transitioning from fossil fuel to renewable heating. To provide certainty to the market, this should be implemented via the Building Regulations
- ☀ Increase consumer awareness of all schemes and subsidies available
- ☀ Educate the public about how renewable heating systems work
- ☀ Improve training for installers, but make this affordable
- ☀ Simplify the process of proving compliance with MCS
- ☀ Incentivise the installation of energy efficient products by introducing more favourable council tax/ stamp duty/ mortgage terms for more energy efficient properties
- ☀ Define specific competency requirements for the installation of Electric Vehicle Charge Points and energy storage systems
- ☀ Encourage the development and installation of energy storage.



Each Home Counts

The Each Home Counts (EHC) review considered issues relating to consumer advice, protection, standards and enforcement in the UK's energy efficiency/ renewable energy markets. This is leading to a new Quality Mark being developed for those who meet the government's standards for retrofitted energy efficiency schemes, which is set to launch in autumn 2018

Our proposals to improve installer and consumer confidence

- 🏠 EHC should provide improved service to consumers, but should not overburden installers
- 🏠 Installers who meet the requirements of a Competent Person Scheme, MCS or PAS2030 should be recognised as meeting the technical requirements of this new Quality Mark
- 🏠 The Quality Mark should be voluntary except in originally planned areas of government-funded energy efficiency work