



Energy Efficiency - Acting and Learning Together



International Energy Efficiency Conference.

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**Energy Efficiency & Business
Perspectives: G8 and UK feedback**

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Key Points

- Strong support from business community for bold moves on energy efficiency.
- Requires Government leadership and a supportive framework.
- Best practice exists
 - G8 Business & Climate Change Conference, and UK experiences.



Introduction

- UK Business Council for Sustainable Energy
 - Sister organisations in US, Australia & Germany.
- Energy efficiency a core priority
- UKBCSE active in EU and G8 Presidencies
 - Energy & Environment Ministers Roundtable (March 05)
 - Power Stream of G8 Conference: “Climate Change: the Business Forecast”



Climate Change: The Business Forecast

Conference sought insight from business on mobilising investment to tackle climate change.

Overarching messages:

- Strong support from business community for significant, Government-led, new moves on energy efficiency.
- Importance of Government setting a long-term policy framework, in which business can invest with confidence
- Policies must be 'loud, long and legal'



Climate Change: The Business Forecast

Broader Observations:

- Energy efficiency can play a central role in responding to energy security, poverty alleviation and climate change issues
- New effort required, globally, to institutionalise energy efficiency
 - Innovative options raised e.g. Energy Efficiency Audits for ‘public’ investment.
- Need an integrated approach to energy efficiency and renewables.



UK Policy Frameworks 1

- Industrial and Commercial: The Climate Change Levy - *5mtc p/a by 2010*
 - Levy on coal, gas and electricity
 - Voluntary agreements for exemption in exchange for emission reductions.
 - Moved energy efficiency from the boiler room to the board room
 - In context of rising energy costs, requires strong political will to increase the levy.



UK Policy Frameworks 2

- Combined Heat & Power - *6mtc p/a by 2010*
 - Government launched a well-targeted programme in 1997 + 10GW target
 - Delays and conflicting policies have weakened impact; capacity has gone down.
 - Opportunity to re-activate the market in the UK Government's Climate Change Programme Review?



UK Policy Frameworks 3

- Domestic Sector - *4.2mtc p/a*
 - Tougher Building Regulations combined with voluntary 'Code for Sustainable Buildings'.
 - The Energy Efficiency Commitment
 - Energy suppliers obliged to deliver an energy savings target
 - 62 TWh of energy saved between 2002-05; target doubled for 2008.
 - Suppliers seeking a mechanism that encourages greater flexibility & innovation
 - Greater consumer pull - need effective fiscal incentives.



The Broader UK Policy Dynamic

- Across the UK, energy use still growing – need for demand *reduction*
- UK's housing stock - old and inefficient.
- SME's – falling between the gap?
- Transport emissions, particularly aviation, still rising.
- Energy prices are increasing:
 - Is that signal sufficient to change behaviour?
 - Impact on lower income groups?
- Under-utilised role for local authorities for delivering energy efficiency.



UK: Looking Forward

- “We will soon be taking further action to achieve our domestic goal of reducing carbon dioxide emissions by 20 per cent by 2010”

The Rt. Hon. Tony Blair MP, Prime Minister

30 October 2005

- UK Climate Change Programme Review – key opportunity



Conclusion

- Strong support from business community, in the UK and Internationally, for bold moves on energy efficiency.
- Requires vision and Government leadership
- Must be backed up by a supportive policy framework tackling all sectors;
 - Needs to be **‘loud, long and legal’**.