



Department  
of Energy &  
Climate Change

# DECC REVIEW

POWER THE COUNTRY, PROTECT THE PLANET



01

## HEADLINE NEWS

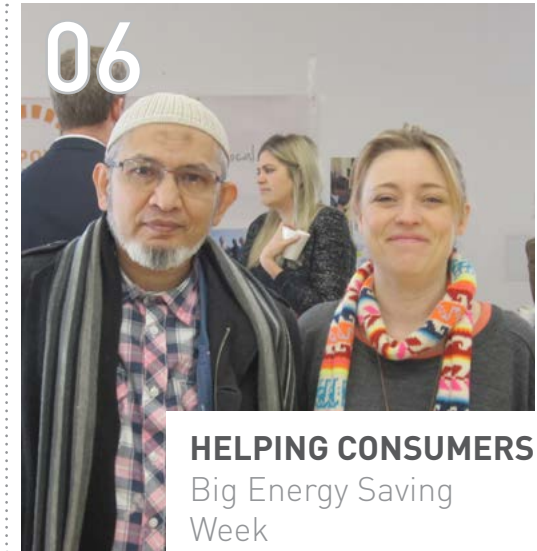
Government helping people with energy bills



04

## OUR ENERGY ECONOMY

Giving certainty to investors on renewable energy



06

## HELPING CONSUMERS

Big Energy Saving Week



10

## THE GLOBAL CHALLENGE

UK reports progress to the UN on climate change



12

## OUT AND ABOUT

Davey opens biomass generator at Drax



14

## IN THE SPOTLIGHT

Local councils stand to benefit from shale gas



16

## COMING UP

Events & Consultations



# Government helping people with energy bills



**Proposals announced on 2 December 2013 to reduce the impact of energy company price rises should make British households on average £50 better off.**

- People will see an average saving on their energy bills of **£50 a year**
- The proposals **will not reduce help** currently available to vulnerable households
- The proposals will safeguard 'green jobs'
- For people moving home there will be help in installing energy saving measures so people cut their bills through improved energy efficiency

Government is helping bill-payers by reducing the impact of social and environmental levies on their bills.

Government will reduce the current cost of levies by:

- A rebate saving the average customer £12 on their bill, for the next two years, worth a total of £600 million.
- The Warm Home Discount will continue helping millions of vulnerable households who are eligible to receive a £135 rebate off their energy bill.
- Reducing the cost of the Energy Company Obligation (ECO), an insulation scheme delivered by major energy suppliers. This will result in energy suppliers taking £30-£35 off bills, on average, in 2014. The existing dedicated support in ECO for low income and vulnerable households will be maintained and extended from March 2015 until March 2017.

Electricity distribution network companies are also taking voluntary action to reduce network costs in 2014/15.

This allows a further one-off reduction of an average of around £5 on electricity bills, which energy suppliers will be able to pass on to their customers.

The Government is ensuring this approach is carbon neutral, with new measures that will boost energy efficiency. New schemes for home-movers, landlords and public sector buildings, worth £540 million over three years include:

- Money from Government to spend on energy-saving measures, when people buy a new home, including those who don't pay stamp duty.
- A scheme to support private landlords in improving the energy efficiency of their properties
- £90 million over three years will be spent improving the energy efficiency of schools, hospitals and other public sector buildings.

- Increasing the funds available to local authorities this year through Green Deal Communities from £20 million to £80 million, to help support 'street-by-street' programmes for hard-to-treat homes in a cost-effective way.

- And it is keeping the [Green Deal cashback scheme open](#), protecting jobs in the energy efficiency industry before the new measures take effect.

Levies providing support for existing low carbon energy projects such as the Renewables Obligation (RO), Contracts for Difference (CfDs) and feed in tariffs (FITs) will not change. This is to provide investor certainty at a time when the UK needs unprecedented investment in energy security.

**To see which energy efficiency schemes or assistance you could benefit from click on the recently improved energy grants calculator, available [here](#).**

# Energy Bill achieves Royal Assent in 2013

The Energy Bill completed its passage through both Houses of Parliament and was granted Royal Assent in December 2013. The Energy Act 2013 will now establish the legislative framework for delivering **secure**, **affordable** and **low carbon energy**. The Act includes provisions on:

## Electricity Market Reform (EMR)

The Act puts in place key measures to attract £110 billion investment needed to replace current generating capacity and to upgrade the grid by 2020, and to cope with the UK's rising demand for electricity. The measures include:

- Long-term contracts (**Contracts for Difference**) to provide stable and predictable incentives for investors in low-carbon generation ;
- **Capacity Market**: to ensure the security of electricity supply.
- **Conflicts of Interest and Contingency Arrangements**: to ensure the financial institutions who deliver these schemes are fit for purpose;
- **Access to Markets**: to ensure the availability of long-term contracts for independent renewable generators and to allow the Government to improve the liquidity of the electricity market, if necessary;

- **Renewables Transitional**: transition arrangements for investments under the Renewables Obligation scheme; and
- **Emissions Performance Standard (EPS)**: to limit carbon dioxide emissions from new fossil fuel power stations.

## Decarbonisation

To enable the Secretary of State of Energy and Climate Change to set a 2030 decarbonisation target range for the electricity sector in secondary legislation. A decision to exercise this power will be taken once the Committee on Climate Change has provided advice on the level of the 5th Carbon Budget, and when the government has set this budget, which is due to take place in 2016.

## Protecting consumers

The Act includes provisions on:

- Setting a limit on the number of energy tariffs offered to domestic consumers;
- Requiring the automatic move of customers from poor value closed tariffs to cheaper deals;
- Requiring suppliers to provide information to consumers on the best alternative deals available

Find out more on our reforms of the electricity market by clicking [here](#).



**Dr Nina Skorupska (Chief Executive of the Renewable Energy Association)** said "The complexity of EMR has been well documented... Government, and especially DECC, is therefore to be congratulated on succeeding in bringing the Energy Act in on time. This is a major step forward for realising the huge jobs and growth potential in home-grown, climate-friendly renewable power."





# Holding electricity operators to account

Following months of power disruptions which have affected households over Christmas and the New Year, Energy and Climate Change Secretary Ed Davey met Chief Executives, from the organisations who maintain our power supplies, including Distribution Network Operators, Ofgem, the Energy Networks Association, Energy Emergencies Executive. He thanked them for their efforts to reconnect customers as soon as possible, and identified what lessons can be learned for the future.

A review into the response to the disruption will report to the Secretary of State in March 2014.

The review will focus on communications with household energy customers, including options **for a single emergency telephone number for households to call if they experience a power cut**, what resources are needed to cope with widespread disruption, and compensation for customers affected.

## Ed Davey said:

"I fully understand the frustration felt by people whose Christmases were spoiled because of power disruptions, but I also want to pay tribute to the hard work of the engineers who battled appalling weather conditions to try to reconnect homes as quickly as possible.

Clearly, communications with customers must be at the heart of this review as in some cases households were not kept informed of what was being done to help them or when they were likely to be reconnected.

Network operators are now contacting customers who may be entitled to compensation and in many cases are offering more than the regulations require them to. It's important that those people who are owed compensation are properly informed."

The review into power disruptions will feed into a wider Government review of severe weather response and resilience.

## What to do in an emergency?

If consumers experience a power cut they should contact the electricity Distribution Network Operator company that covers their area. Contact details for all the electricity Distribution Network Operator companies are listed [here](#). →

Take a look now and make a note of the number of the company that covers your area.

Area	Company	General Enquiries No.	Emergency No.
North Scotland	Scottish & Southern Energy	0800 048 3515	0800 300 999
South Scotland	Scottish Power	0845 273 4444	0845 272 7999
North East England	Northern Powergrid	0845 070 7172	0800 668 877
North West	Electricity North West Ltd	0800 048 1820	0800 195 4141
Yorkshire	Northern Powergrid	0845 602 4453	0800 375 675
East Midlands	Western Power Distribution	0800 096 3080	0800 056 8090
West Midlands	Western Power Distribution	0800 096 3080	0800 328 1111
Eastern England	UK Power Networks	0845 601 4516	0800 783 8838
South Wales	Western Power Distribution	0845 601 3341	0800 052 0400
Southern England	Scottish & Southern Energy	0800 048 3516	0800 072 7282
London	UK Power Networks	0845 601 4516	0800 028 0247
South East England	UK Power Networks	0845 601 4516	0800 783 8866
North Wales, Merseyside and Cheshire	Scottish Power	0845 273 4444	0845 272 2424

# Government gives certainty to investors on renewable energy

£40 billion of investments are expected in renewable electricity generation projects, following publication of [updated contract terms and strike prices](#) on 4 December 2013.

Additional investments of around £40 billion are expected in renewable electricity generation projects up to 2020. [Fifteen renewable generation projects](#) have now reached the stage of Final Investment Decision Enabling for Renewables (FIDeR). These projects will be supported either through investment contracts or the enduring [Contracts for Difference \(CfD\)](#) regime.

There is currently over 20GW of renewables capacity operational in the UK – a figure that could double by 2020 as a result of Government's reforms. We have a very healthy pipeline in key technologies, with a total of almost 11GW of offshore and onshore wind with planning consent and awaiting construction. And if all the 8GW of projects which are proceeding under the final investment decision in Spring, are built through investment contracts or under the enduring CfD regime they could contribute around 30% of the new renewables generation we need by 2020.

The UK is now on track to meet the 30% renewables target, doubling the amount of electricity generated from renewables since Q2 2013.

## Ed Davey said:

"With new major renewable projects progressing in our "go early" stage we are delivering ahead of schedule and are able to begin the move to the world's first low carbon electricity market faster than expected."

*Brent Cheshire (UK Chairman of DONG Energy) said: "We welcome the announcements from the Government on the Final Investment Decision-enabling and the strikes prices. This is a concrete step in the right direction from the Government towards fulfilling the next phase of offshore wind development in the UK. The strong commitment to offshore wind demonstrated by the Government gives us the confidence to move forward with our future pipeline of projects."*

**DONG**  
energy

# Hinkley Point C

Following the UK Government and EDF reaching a commercial agreement on the key terms of a proposed investment contract for [Hinkley Point C \(HPC\) nuclear power station](#), the UK Government submitted State aid notification to the European Commission in October 2013.

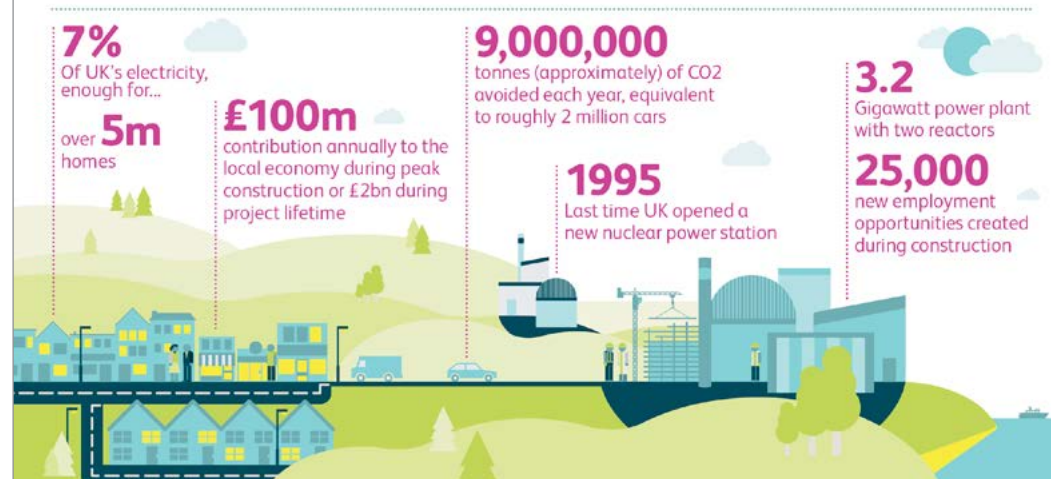
The European Commission decided to investigate the Hinkley Point C investment contract. See the full documents [here](#).

A formal one month long public consultation is planned where third parties can submit views on the case directly to the Commission. DECC welcomes the consultation and encourages interested parties to respond.

A new generation of nuclear power stations is a key part of our future low carbon energy mix. Alongside renewables and fossil fuels with Carbon Capture and Storage, new nuclear will contribute to the UK's vision of providing safe, reliable, affordable and low carbon energy for the future.

Hinkley Point C would generate enough home-grown power for nearly six million homes, a city nearly twice the size of London, or **7% of Britain's electricity supply by 2025**. In addition it is estimated that around **25,000 jobs** will be created during construction with a massive investment by EDF and its fellow investors of around **£16 billion** to build the plant.

## Hinkley Point C: Number power



## Support for independent renewable electricity generators



The Government's reform of the electricity market aims to safeguard the UK's low carbon energy future. Independent renewable electricity generators are essential to achieving our reforms and play a significant role under the Contract for Difference (CfD) regime.

However, independent renewable generators typically need to secure investment from banks, who often require the generator to secure long-term contracts with suppliers to sell their power. Independent generators may find it difficult to get such contracts under the CfD.

The [Government's Offtaker of Last Resort proposal](#) addresses these concerns by giving eligible renewable CfD generators a guaranteed buyer (offtaker) for their power, at a set discount to the market price, if they are unable to find a viable offer in the open market.

Guaranteeing a buyer at a set discount effectively provides a floor price for generators' power when combined with a CfD, giving investors confidence to fund renewable projects, and removing the lending requirement for generators to hold long-term contracts for their power. This is expected to result in **greater competition, driving down prices and getting the best deal for consumers.**

A [consultation on the Offtaker of Last Resort](#) runs from 11 February to 24 March 2014 and we will continue to engage with stakeholders throughout this period. The consultation asks for views on key features, ranging from which generators should be eligible and how they should be allocated an offtaker, to how the price for this power should be calculated and what the terms and conditions should be. The responses will help shape the final terms of the Offtaker of Last Resort, and these will be available in **Autumn 2014.**

## Confidence in UK's Oil and Gas Industry

Business confidence in the UK oil and gas industry remained positive in the fourth quarter of last year according to Oil & Gas UK's business sentiment index. The fourth quarter of 2013 saw a drop of seven points from 15 to 8 but the mood of the industry remained positive. The latest index can be accessed by clicking [here](#).

**Oonagh Werngren (Oil & Gas UK's operations director), said:** "Since the beginning of 2013, the mood of the industry has remained in positive territory possibly due to the significant investment in the UK continental shelf (UKCS) which took place in 2013... However, the industry recognises there are underlying problems that need addressing. It is therefore important that

the industry works together with DECC and HM Treasury to maximise economic recovery of our offshore oil and gas resources and sustain future production."

Sir Ian Wood will be publishing a review of UK offshore oil and gas recovery in early 2014. For more information on the Wood Review please [click here](#).

Oil & Gas UK, the leading representative organisation for the UK offshore oil and gas industry now represents over 400 companies.





# Big Energy Saving Week 27 – 31 January 2014

Big Energy Saving Week - a joint campaign between Citizens Advice, DECC, energy suppliers, Energy Saving Trust, Acre, Age UK and other voluntary and charitable organisations – ran for a week in January, focused on helping consumers **cut their fuel bills** and get **all the financial support they are entitled to**. For more information on Big Energy Saving Week's partners [click here](#).

## BIG Energy Saving Week – grassroots launch

Ed Davey and Greg Barker visited a local community energy event supporting vulnerable energy consumers in Hackney, London.

The event held at the Redmond Community Centre, which attracted around 100 people gave the opportunity for residents to find out more on:

- ✓ the benefits of energy saving measures
- ✓ the financial support available to households
- ✓ how to reduce hospital admissions and seasonal deaths
- ✓ community energy switching
- ✓ generating renewable energy



**Mohammad and Rachel from Hackney's Homes Tenants & Residents Association**

"We came down today," explains Mohammad "to find out more about energy saving measures, especially how we can bring bills down with things like the Warm Home Discount. We're also interested in finding out more about solar panels and different ways of generating electricity."

Rachel adds: "There are 125 flats on our estate and we'll let them all know what we found out here today..."

Together with the launch of the Big Energy Saving Week, this event also saw the launch of the [Government's first ever community energy strategy](#).

## 'Power to the people' is boost to community energy

Government has published its first ever Community Energy Strategy setting out the role that communities can play in helping to meet the UK's energy and climate change challenges, to support a sustainable and secure energy system; reducing UK greenhouse gas emissions; and lower consumer bills.

Over 50% of people surveyed by DECC said saving money on their bills would be the main motivation for getting involved with community energy schemes to reduce their energy use or purchase and generate their own energy. Around 3.5million bill payers are getting together with other people in their local community to take local control of their energy.



If your community would like to get involved in community energy please [click here](#) for more information on how to access information and funding.



As part of the Strategy, Government is broadening the support available for community energy projects:

- £10m Urban Community Energy Fund to kick-start community energy generation projects in England;
- £1m Big Energy Saving Network funding to support the work of volunteers helping vulnerable consumers to reduce their energy;
- £100,000 for a community energy saving competition, where communities can develop innovative approaches to saving energy and money; and
- a "one-stop shop" information resource for people interested in developing community energy projects.

**Ed Davey said:**

"We're at the turning point in developing true community energy... I want to encourage groups of people across the country to participate in a community energy movement and take **real control of their energy bills**. Community led action, such as collective switching, gives **people the power** to bring down bills and encourage competition within the energy market."

## Energy savings advice helpline – waiting for your call

The Energy Savings Advice Service (ESAS) is a government-funded telephone helpline offering free and impartial information about energy-saving measures and other DECC policies aimed at reducing household energy bills.

In particular, ESAS offers information about access to the [Energy Company Obligation \(ECO\)](#), including a referrals service for those who could potentially be eligible for some support under ECO Affordable Warmth. This part of ECO focuses on basic insulation and heating measures for low income and vulnerable households in private tenure.

You can also use the recently [improved online eligibility tool](#) to see which energy efficiency schemes or assistance you could benefit from.

### Getting in touch

We want organisations to help Government promote the ESAS helpline and referral service to eligible low income households who could benefit from support under ECO Affordable Warmth. Please get in touch at [corporate.comms@decc.gsi.gov.uk](mailto:corporate.comms@decc.gsi.gov.uk)

To contact the ESAS helpline for energy savings advice, ECO or the Green Deal please call **0300 123 1234** (England and Wales) or for Scotland, call **Home Energy Scotland on 0808 808 2282**. The advice provided is free, but calls are charged at standard national rates.

Please click on the following links for further information on [ESAS](#), [ECO](#) and the [Green Deal](#).



## Award winning ECO project helping consumers reduce their energy bills

Watford has improved over 100 homes thanks to funding from the Energy Company Obligation (ECO). This ECO funding has insulated the homes **free of charge** to all residents on the estate.

This energy efficiency retrofit project is tackling properties that are classified as 'hard to treat'. The project will benefit around **270 residents** and will **reduce energy costs**; and help to stem a rise in deprivation and fuel poverty for those living on the estate. And it is set to produce carbon savings of over 220 tonnes per year.

In addition to the expected energy bill savings, the render repairs and insulation has reinvigorated the homes, together with providing them with high specification and insurance backed warranties that ensure the properties remain fit for purpose well into the future.



Winning #Watford project! Ptnrship of LAs, social & private orgs helps >100 homes with external insulation <http://bit.ly/19eWwiW> #greendeal



Courtesy of [@DECCgovuk](#)



## Switching 'on the up': 1 million customers switch in two months

New switching numbers show that around **a million customers** switched energy suppliers in **November and December 2013**. This compares favourably to 3.5 million switches for the whole of 2013.

## Independent research shows Smart Meters are helping cut bills

New research from switching site uSwitch shows that households which have smart meters are enjoying more accurate billing, which is in turn helping them to cut their bills.



ElectraLink, who carried out the switching research, said more than 615,000 people switched their electricity supplier during November 2013, the highest number yet recorded. By the end of 2013, 26% of those switching supplier were moving to smaller suppliers, rather than the 'big six' suppliers.

There are many online comparison sites that can help consumers find the best energy deal. To find an Ofgem accredited switching comparison site, click [here](#).

The research shows that **81%** of those with a smart meter use it to **monitor their energy use** and cut down on overall consumption. Changes in behaviour include a greater likelihood of turning off lights (51%) and an increased understanding of what actions consume the most energy (41%). Half of the smart meter users surveyed are now confident that their energy bills are correct.

**Ann Robinson, director of consumer policy at uSwitch, said:** "This is the clearest evidence yet that smart meters will be a game-changer for consumers. Those who have a smart meter aren't just enjoying accurate bills and greater protection from debt. They are also using their meters to cut their usage, which in turn will help them to **cut their bills**..."

...Accurate bills, support with energy efficiency and putting consumers in control will go a long way in rebuilding trust and confidence."

To view the research please click [here](#).



Follow #smartmeters to join the debate and share any experiences you have on smart meters

## Consumers now receiving simpler energy tariffs

Finding a better energy deal has now got easier with a ban on complex tariffs thanks to Government and Ofgem working together for the consumer.

Since 2 January 2014, a number of regulatory changes have taken effect.

- Energy suppliers are banned from offering complex payment tariffs. One example is initially charging their customers a higher rate tariff, which falls the more electricity they use.
- The changes also mean that once a consumer has decided how they want to pay for energy, they will have just **four tariffs** to choose from for gas and four for electricity, from each supplier.
- Suppliers are only allowed to have **one structure for tariffs** – a unit rate (or unit rates for time of use tariffs) and standing charge, which can be zero. This will make tariffs more consistent and easier to compare.
- Suppliers are also **banned from automatically rolling householders on to another fixed-term offer** when their current one ends.

Together, these changes should make it far easier for consumers to compare and understand deals and find the best tariff for them.

The changes are part of a set of reforms for a simpler, clearer, fairer energy market which aims to ensure suppliers work harder for consumers by competing keenly to offer the lowest prices and the best service.

These reforms are the biggest changes to the retail energy market since competition was introduced in the late 1990s.

### Further changes

From April 2014 a range of further reforms are also coming into force to give consumers much **clearer information** on energy. Suppliers will have to tell consumers regularly on bills, annual statements and other communications which of their available tariffs is cheapest for them.



## Energising the Observer Ethical Awards

### The Community Energy Project Award sponsored by National Grid

The Observer are looking for cost-busting, future-proofing energy projects or schemes powered by and designed for communities. The Observer wishes to reward the very best of the UK's creative minds who are getting to grips with low carbon forms of generating power and have designed projects to generate, purchase, manage or reduce energy on a community basis.

Have you generated community Megawatts from solar, wind, hydro or biomass and Combined Heat and Power or is this the big idea that you've come together to tackle? Are you committed to reducing fuel poverty through team work and innovation? The Observer wants to hear about your community energy projects, from fledgling to the fully functioning and sing your praises from the rooftops. The winning group will receive £2000 towards community funds! **The closing date for nominations is 21 March 2014.**

For more information [click here](#).

**nationalgrid**

**TheObserver  
Ethical Awards**

in association with  
**ECOVER**

## Generating community benefits

### Bath & West Community Energy (BWCE)

is a Community Benefit Society and was formed as a practical response to the challenges we face in maintaining a stable energy supply in the future.

They plan to develop a financially sustainable community-owned energy enterprise, delivering:

- ✓ **renewable energy**
- ✓ **energy efficiency**
- ✓ **energy supply services**

It seeks to do this via a strong community model which is maximising **local investment, strengthening the local economy and building community resilience.**

Over 10MW of solar PV, wind and hydro projects are in development, to supply energy generated locally to residents and the wider community.

They have been trading for three years, generating small surpluses after loan repayments and **7% interest paid on member's investments.** Currently installed projects are estimated to provide around **£750,000** into the community fund over 25 years.

The Government's launch of the first ever [Community Energy Strategy](#) helps to support projects like this up and down the country.

**To date BWCE has developed the following:**

- **11 solar PV projects** on schools and community buildings totalling just over 400kW
- a 250kW ground mounted solar PV system linked to a business park
- a 1MW ground mounted solar PV system in partnership with Wiltshire Wildlife Trust

**...and has raised the following capital:**

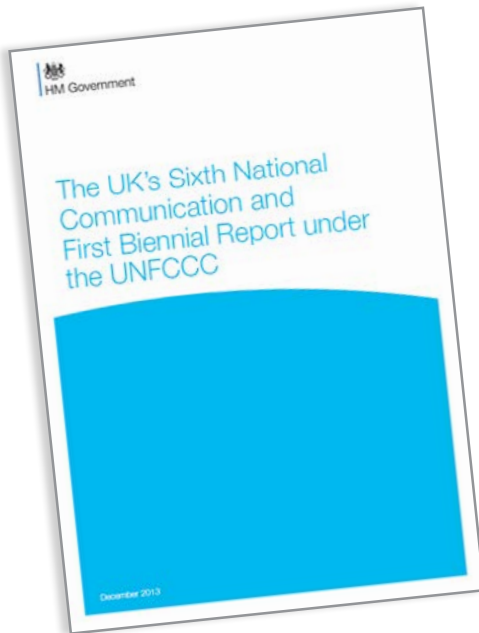
- **£2.5 million** in three community share offers (one through a separate community benefit society, Wiltshire Wildlife Community Energy)
- **£800,000** in debt finance from SSE
- **£400,000** of development finance from a number of sources



## UK reports to the UN on climate change

As part of the UK's commitments to its international obligations on climate change, DECC submitted its [6th National Communication](#) to the United Nations on 20 December 2013.

This report provides a comprehensive overview of climate change related activity in the UK – including the progress made at home and abroad to **reduce greenhouse gas emissions**, and to **adapt to the effects of a changing climate**.



### Reporting by numbers.

#### In 2011...

- ✓ UK greenhouse gas (GHG) emissions were 29.1% lower than 1990 levels (and 29.2% below Kyoto Protocol base-year levels).
- ✓ UK Methane (CH<sub>4</sub>) emissions were 57.6% lower than 1990 levels
- ✓ UK Nitrous oxide (N<sub>2</sub>O) emissions were 49.0% lower than 1990 levels

## UK responds to EU Commission 2030 White Paper



On 22 January 2014 the EU Commission published its 2030 White Paper on climate change. During March 2014 this is due to be debated in the European Council and Parliament and will include the following key elements:

- ✓ **A binding greenhouse gas reduction target**
- ✓ **An EU-wide binding renewable energy target**
- ✓ **Improved energy efficiency**
- ✓ **Reform of the EU Emission Trading Scheme**
- ✓ **Competitive, affordable and secure energy**

**Ed Davey said** "The proposals are a step in the right direction towards an ambitious emissions reduction target for Europe.

They provide the flexibility to tackle climate change in the most cost-effective way, so that British consumers aren't paying over the odds to go green.

"A 40% greenhouse gas target for Europe is a good start which the UK fought hard for, and will lead to massive investment in low carbon energy, including many more renewables.

Yet Britain has been clear that Europe must be ready to adopt a 50% target if the rest of the world is prepared to sign an ambitious global climate deal in 2015."

**Connie Hedegaard, Commissioner for Climate Action, said:** "In spite of all those arguing that nothing ambitious would come out of the Commission today, we did it. A 40% emissions reduction is the most cost-effective target for the EU and it takes account of our global responsibility."



# UK and France sign declaration on nuclear energy and agree on climate change ambition

The UK and French governments issued a joint communique on 31 January 2014 declaring their commitment to developing safe nuclear energy, commercial opportunities and skills.

The declaration reiterates the two Governments' shared view that nuclear power has a critical role to play in a cost-effective low carbon transition.

The move is the latest in a string of UK-French initiatives on energy and climate policy, including:

- ✓ **pushing for the European Commission to propose a 40% EU domestic emissions reduction target for 2030**
- ✓ **securing reform of the Emission Trading System**

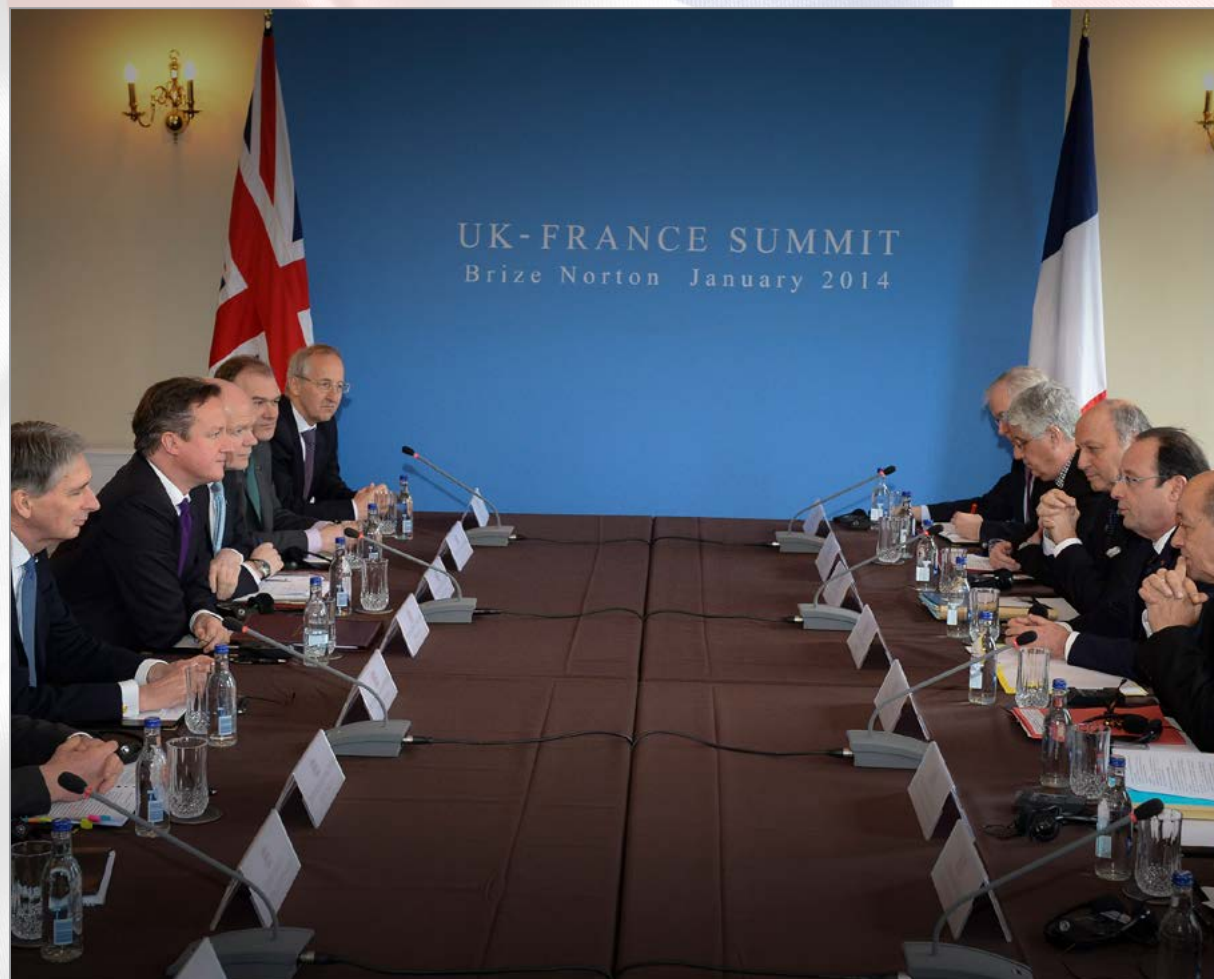
The declaration paves the way for the two Governments to collaborate on constructing new nuclear power stations, to maximise opportunities for small and medium sized businesses in nuclear supply-chains and to fund joint training and skills centres.

Ed Davey and French Energy Minister Phillipe Martin want Britain and France to work together to develop interconnectors, nuclear and renewable energy projects; secure an ambitious and early EU 2030 energy and climate package; and deliver a global climate deal at the Paris hosted UN climate conference in 2015.

## Ed Davey said:

"Today, we reiterated our resolve to work together towards achieving an ambitious and legally-binding agreement at the next Conference of Parties in Paris in 2015, and to support an EU-wide emissions reduction target of at least 40% by 2030.

The declaration we have signed...will further enhance this relationship, allowing us to explore further commercial opportunities to develop nuclear power, and to enhance our expertise and skills in this sector."





# Ed Davey opens biomass generator at Drax

Britain's largest coal-fired power station is set to become one of Europe's biggest renewable electricity generators, with the potential for new future generation on the site to be based on truly clean coal.

On 9 December 2013 Ed Davey opened the Drax coal-to-biomass conversion plant, and announced the Government funding for the White Rose Carbon Capture and Storage project (CCS), also based at the site in North Yorkshire.

At Drax, the **£700 million** planned conversion project will burn wood pellets rather than coal. This will reduce carbon emissions by 80% compared to coal and provide enough low carbon power to supply around **1 million homes**, help to safeguard **1,200 jobs** in the supply chain and in local communities.

Today 40% of our electricity comes from coal. 20% is from old nuclear. But most of that is due to come off line in the next decade. We need to fill this emerging energy gap with low-carbon electricity that will keep the lights on, bring bills down and reduce emissions to tackle climate change.

So we need a mix – of renewables (biomass and coal to biomass conversions, onshore and offshore wind and solar), Carbon Capture and Storage technology, nuclear and some gas. This will help to protect consumers from price spikes caused by importing expensive gas, and

will lower people's bills in the long-run with households getting £50 off their bills a year by early 2014.

The multi-million pound FEED study funding will support the White Rose project, which is designing a £2 billion state-of-the-art coal power plant with full CCS that will be able to provide clean electricity to more than 630,000 homes. It also includes the planned development of a CO<sub>2</sub> transport and storage network – the Yorkshire Humber CCS Trunkline – which would have capacity for additional CCS projects in the area.

Together, the two projects could support **3,200 jobs** in Yorkshire and the Humber, and provide carbon transport infrastructure to help build a clean energy industry in the region.

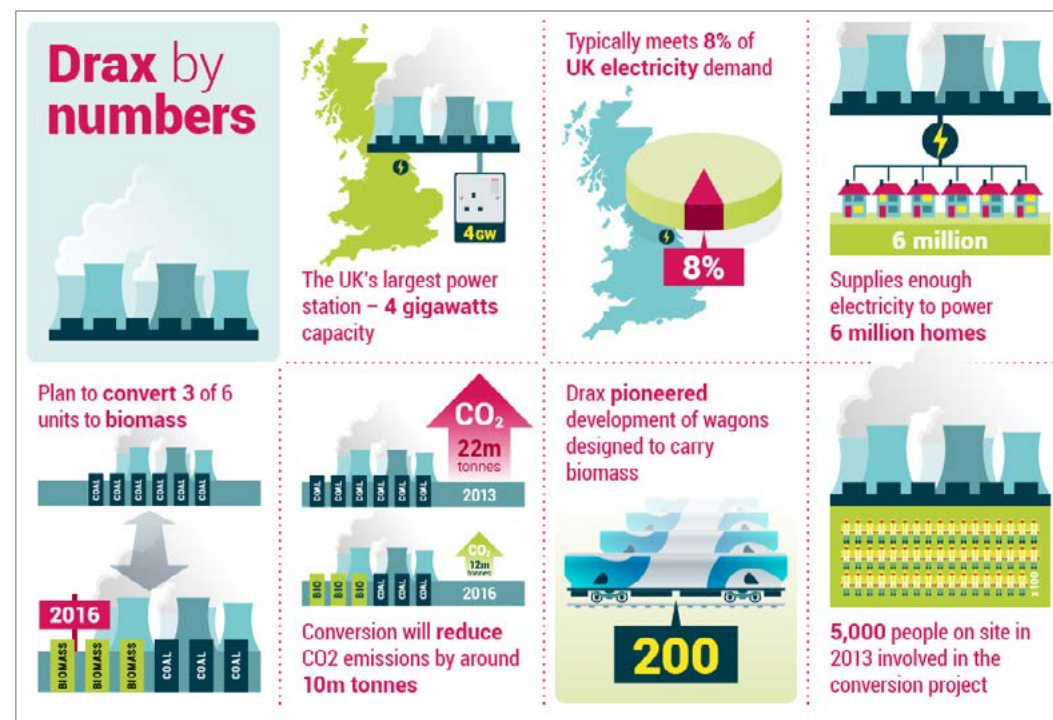
## Ed Davey said:

"It's crucial that we safeguard our energy security by generating green electricity on UK soil that protects bill payers from volatile foreign energy imports.

Our coal industry has powered Britain for more than a century, and today we're seeing a clear roadmap for its future – whether by converting existing coal plants to cleaner fuels, or building state-of-the-art power stations that mean coal is truly clean. While at the same time creating new green jobs for Yorkshire.

I'm proud that the UK is at the forefront of developing Carbon Capture and Storage – which could be a game-changer in tackling climate change and provide a huge economic advantage not just to this region, but to the whole country."

White Rose is the first project to be allocated funds under Government's **£1 billion** CCS Commercialisation Programme. CCS allows the safe removal and permanent storage of carbon dioxide emissions from coal and gas power stations, as well as from industrial processes.





# Greg Barker takes the energy saving call

As part of the Big Energy Saving Week (#BESW14), Greg Barker visited the Energy Saving Advice Service helpline to understand at first-hand how this service provides help and support to householders up and down the country. **The helpline receives an average of 1,500 calls a day.**

Endorsing the visit, Mary Macleod MP, Zac Goldsmith MP, Lewis Pugh (ocean advocate, maritime lawyer and a pioneer swimmer), together with Oliver Heath (sustainable architectural designer and writer) joined Greg Barker at the event.

To contact the helpline, call **0300 123 1234 for free impartial energy-saving advice - for homes and businesses in England and Wales.** Those in Scotland should call **Home Energy Scotland on 0808 808 2282.** The advice provided is free, but calls are charged at standard national rates.



Oliver Heath @Oliver\_Heath

Talking more about energy saving at ESAS with @GregBarkerMP @ZacGoldsmith @MaryMacleodMP @LewisPugh #GreenDeal #BESW

10:57 AM - 28 Jan 14



## Baroness Verma making a smart visit



During Big Energy Saving Week (#BESW14) Baroness Verma visited SSE's call centre to see SSE's smart meter technology first hand and listen to customers' enquiries on smart meters.

As part of the visit Baroness Verma took the opportunity to listen in on a couple of calls, be shown smart meter technology and meet smart metering teams.

Energy supplier SSE began installing smart meters in customers' homes in December 2012 and are now rolling this out more widely up to 2020.



# Local councils stand to receive millions from shale gas developments

Councils in England which give the green-light to shale gas developments stand to receive millions of pounds in business rates.

On 13 January 2014, Prime Minister David Cameron announced that councils can keep **100% of business rates** they collect from shale gas sites – double the current 50% figure. This commitment could be worth up to **£1.7 million a year for a typical site**. It will be directly funded by central government.

Community benefits for local people will also be strengthened. Last year, the industry announced that local communities would receive £100,000 when a test well is fracked – and a further 1% of revenues if shale gas is discovered. This could be worth **£5 to £10 million** for a typical producing site over its lifetime.

The industry will further consult on how this money can best be shared with the local community. Options could include direct cash payments

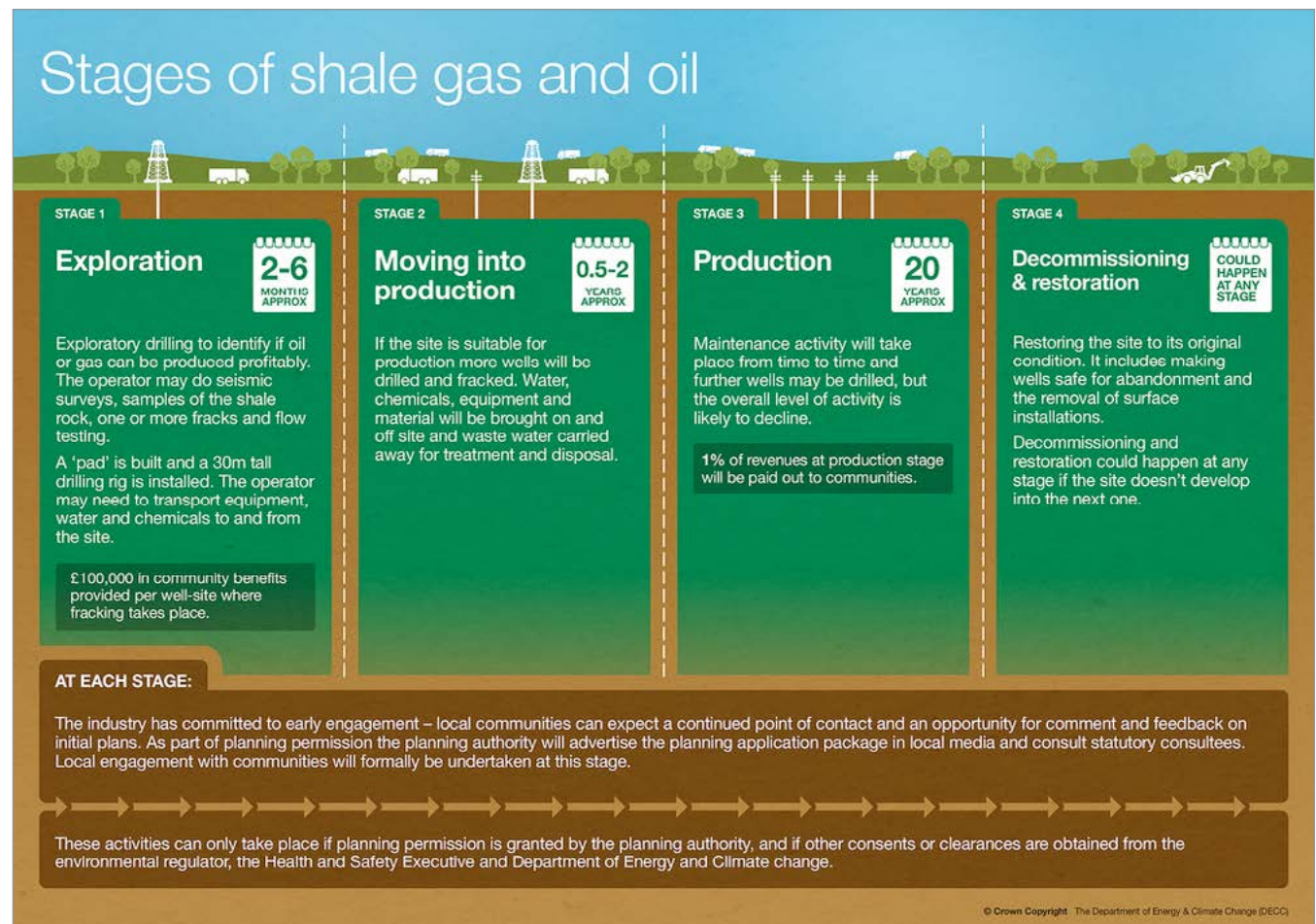
to people living near the site and the setting up of local funds directly managed by local communities.

## Energy Minister Michael Fallon said:

“We already knew that the development of shale gas could bring growth, jobs and energy security to the country, and now local councils and people will benefit from millions of pounds of additional investment.”

**Shale gas** represents a huge economic opportunity for the UK with [research from the Institute of Directors](#) showing investment could reach **£3.7 billion a year** and support **74,000 jobs** in the oil, gas, construction, engineering and chemicals sectors. The industry are now setting out proposals on how best to secure a role for UK companies as part of its supply chain as shale gas production develops in the UK.

For facts about shale oil and gas and fracking [click here](#).



# Making connections in the Renewables Marketplace

The Renewable Energy Association, a trade body for the renewables industry, has launched an innovative new online resource: the Renewables Marketplace. The Marketplace helps public, private and community groups make business connections with the renewables industry, free of charge.

It is accessible [here](#). Follow [#RenewablesMarketplace](#) on twitter to join the conversation.

The Renewables Marketplace is a platform for you to tell the renewables industry what you need, and ask them what product or service they could provide, and at what price. This is designed to help progress renewable energy initiatives led by community groups, commercial enterprises, farmers, overseas companies, manufacturers and local authorities. These projects could be driven by a desire to cut costs, generate income, generate your own energy, recycle wastes or reduce carbon emissions.

You may need...

- help or advice with setting up or financing a renewable energy installation
- someone to take processing waste off your hands and use it as a renewable fuel
- biofertiliser for your farm or compost for your parks or golf course
- a UK business partner or distributor

Please note that the Renewables Marketplace is not appropriate for householders looking to install renewable energy equipment in their homes. The Renewables Marketplace will initially be available to members of the REA free of charge.



## New Director General for Consumers and Households appointed



Clive Maxwell, Chief Executive of the Office of Fair Trading, has been appointed Director General of DECC's Consumers and Households Group. Clive will manage the Government's key projects in improving energy efficiency and helping business and domestic energy users obtain the lowest possible bills.

The appointment comes as DECC engages in a major programme of improvements for consumers under energy efficiency schemes such as the Energy Company Obligation and Green Deal, as well as working closely with the energy industry to maximise choice for customers.

**Stephen Lovegrove, Permanent Secretary at DECC, said:**

"I am very pleased that Clive is joining us at such an important time at DECC. Clive's wide experience in competition and consumer matters will be an incredibly valuable addition as we drive even greater competition in the energy industry to ensure consumers receive the best value in their services."

Clive Maxwell starts at DECC at the end of February 2014.



# Consultations

Implementing the Energy Efficiency Directive: metering and billing of heating and cooling

**Closes: 23:45 21 February 2014** ➔

Implementing the Energy Efficiency Directive provisions on gas and electricity billing

**Closes: 00:00 24 February 2014** ➔

Smart Metering Implementation Programme: the process to finalise the Great Britain companion specification

**Closes: 00:15 5 March 2014** ➔

Supporting independent renewable investment: offtaker of last resort

**Closes: 23:45 24 March 2014** ➔

Environmental report for further onshore oil and gas licensing

**Closes: 23:45 28 March 2014** ➔

Strategy for the management of Naturally Occurring Radioactive Material (NORM) waste in the United Kingdom

**Closes: 23:45 8 May 2014** ➔

Click here for more information on **DECC consultations**

For further information on this and other events, [please contact us](#).

## Renewable heat – counting the miles, up and down the country

This Spring DECC will be launching the domestic Renewable Heat Incentive (RHI).

Renewable heat schemes for both domestic and non-domestic properties will work in parallel, meaning every building in Great Britain could be eligible for the **Renewable Heat Incentive**.

DECC is running several regional roadshows to communicate with tens of thousands of installers and homeowners throughout Britain.

For more information on the RHI please [click here](#).

The first event took place at [Energy Now](#) in Telford between 12 – 13 February 2014.

The next event will take place at [EcoBuild](#) at Excel, London, 4 – 6 March 2014.

More roadshows will be announced soon.

Follow  
**DECC** 

**FLICKR** ➔

**TWITTER** ➔

**YOUTUBE** ➔

**DECC WEBSITE** ➔

**DECC BLOG** ➔

We want your feedback, contributions and opinions on the DECC Review.

Email: [Editorial team](#)

Editor: [Matt Prout](#)

If you are not on our mailing list you can [register online](#) which allows you to manage your subscriptions to our newsletters in a secure manner.

