DECC REVIEW

OUR MISSION: POWER THE COUNTRY, PROTECT THE PLANET

SUMMER 2012 EDITION 8

ENERGY & CLIMATECHANGE

This issue of DECC Review provides a roundup of news and activities from across the Department during summer recess.

We have two new ministers and changes in our ministerial portfolios following the Government's reshuffle in September. The whole ministerial team are focussed on delivering the agreed policy agenda and ensuring we remain determined to put our contribution to growth and the concerns of consumers centre stage.

In August, we launched the first phase of our low carbon innovation fund with £16 million of investment available to entrepreneurs to develop low carbon technologies towards commercialisation.

And we took important next steps for the Green Deal with a £7 million loan to the Green Deal Finance Company and the launch of a new quality mark to protect consumers.

As always we welcome your comments and suggestions so please contact us.

Introducing the New Ministerial Team

Farewells and welcomes following the Government's reshuffle

As part of the Government's reshuffle in September, No.10 announced that, DECC Minister of State for Energy, Charles Hendry, MP would be replaced by John Hayes MP.

John Hayes is MP for South Holland and the Deepings in Lincolnshire and has moved from the role of Minister for Further Education, Skills and Lifelong Learning at Department for Business, Innovation and Skills (BIS).

Charles had been in post since 2010 and has made an enormous contribution at DECC. He goes with the Department's very best wishes for the future.

The reshuffle brought one further





You can find the new ministerial portfolios on our website

ministerial change with Lord Marland, Parliamentary Under Secretary of State moving to BIS; and replaced by Baroness Verma.

Baroness Verma is a businesswoman and entrepreneur. She was formerly a government whip and Spokesperson for Cabinet Office, International Development, Women and Equalities and Business Innovation and Skills.

Lord Marland goes with the Department's thanks for all his hard work at DECC and best wishes in his new role at BIS.

forward

DECC by Numbers

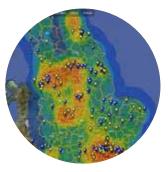
A selection of DECC statistics and reports covering the full range of DECC's responsibilities including: climate change, energy, fuel poverty, coal health and the UK's fuel mix.

DECC recently published four key national energy statistics:

 The Digest of United Kingdom Energy Statistics (DUKES) -

DECC's annual energy statistics publication includes detailed information on the production and consumption of individual fuels and of energy as a whole.

- The Energy Flow Chart this flowchart illustrates the flow of primary fuels from home production and imports to their eventual final uses.
- UK Energy in Brief a summary of the latest energy and climate change statistics in a series of charts.
- **Energy Consumption in the UK** - this publication brings together statistics from a variety of sources to produce a comprehensive review of energy consumption and changes in efficiency, intensity and output since the 1970s, with a particular focus on trends since 1990.



Interactive maps

DECC's local authority datasets bring together trends in fuel poverty, energy use and energy efficiency measures. The four maps available cover cavity wall and lift insulation; fuel poverty; domestic solar PV installations and gas and electricity consumption.

Renewable Investment and Jobs

Some of the individual contracts and projects announced between 1 April, 2011 and 20 July 2012 are highlighted in a regional map. This is not a definitive list of the renewables market activity for this period, but indicates the continuing realisation of growth and investment opportunities in the UK renewables sector.



HQ slashes energy use

DECC's HQ building in London has been awarded a new, improved Display Energy Certificate (DEC) rating of 'C'. Only 23% of commercial buildings are rated C or above. Greg Barker, Minister of State said: "With the right commitment, large organisations can make a big difference to their overheads and to their environmental impact, and DECC's achievement is proof of that."

You can find more **DECC statistics** on our website

Climate Change

The UK is playing a leading role at an international level to find ways to reach global agreement.



Climate Action in a Distracted World "In a little over three years, we must set in train a change to the whole structure of the world economy; breaking the bond between carbon and growth. Building the systems to support low-carbon economies in the most advanced countries, and low-emissions development in poorer countries."

In a speech to Chatham House on 11 July 2012, Secretary of State Edward Davey outlined his vision for ambitious action on climate change. "We must reject those who argue that action on climate change and economic growth are incompatible. Those who claim that the EU is ineffective. Those who pretend that multilateralism cannot deliver....I'm determined that my Department and our Coalition Government is front and centre in those arguments."

Read a **full transcript of the speech** or watch highlights captured in a **Chatham House video**.



Committee on Climate Change Secretary of State Edward Davey, announced the appointment of Paul Johnson to the Board

of the Committee on Climate Change (CCC) and Lord Deben has been appointed to succeed Lord Turner as Chair of the CCC. For more information on the CCC, please visit the Committee on Climate Change website. www.theccc.org.uk

UK ranked best in the World Secretary of State Edward Davey welcomed the publication of the first International Energy Efficiency Scorecard by the American **Council for an Energy-Efficient** Economy (ACEEE) which ranked the UK first among twelve leading economies considered by the study. "This study.....will make a valuable contribution to our understanding not just of the problems, but also the solutions. It is a fascinating collection of best practice, setting out the innovations which can accelerate economic growth, enhance energy security - and save our households

and businesses

money."

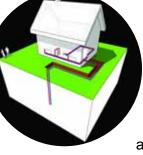
Learn more about international climate change on our website. You can also subscribe to a cross-government international climate action newsletter.

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Cutting Emissions

The UK is committed to reducing its greenhouse gas emissions on a pathway consistent with meeting an 80% reduction on 1990 levels by 2050.



RHPP

competition reopened Up to £2.5 million of additional funding is being allocated for social housing landlords to

install renewable heating systems in their housing stock, helping householders stay warm this winter and move away from expensive old heating systems to new clean renewable ones. Registered providers for social housing can bid for funds up to the sterling equivalent of €200,000, which currently amounts to around £156,000 each. All information to support completion of applications for the scheme is available on the Energy Saving **Trust** website along with information about successful phase one applicants.

Funding for low carbon entrepreneurs

Low carbon innovation has been given a big cash injection with the launch of a the first phase of a £35 million fund announced earlier this year at the **Clean Energy Ministerial.** The funding aims to speed up the development of low carbon technologies towards commercialisation, helping cut carbon in the UK, supporting jobs and creating export opportunities.

Green Deal landmarks

A £7 million loan has been given to the Green Deal Finance Company to help **GREEN DEAL** ensure it is ready to offer finance to Green APPROVED Deal Providers in early 2013. Green Deal registration opened in August allowing organisations to begin the Green Deal authorisation process: the new Green Deal Quality Mark will show who is authorised and protect consumers.



Home insulation Report DECC welcomed a new OFT report

which considers how the market for home insulation currently operates and makes recommendations on how it could be improved in the future. The report recognises the new, stronger protections for consumers being put in place under the Green Deal.



technologies -



marine energy, electricity networks and storage, and Carbon Capture and Storage (CCS) have been published by the Low Carbon Innovation Coordination Group (LCICG). The first TINA on offshore wind was published in February 2012. TINAs for other technology areas including Bioenergy, Industrial Energy Efficiency, Heat, Domestic Buildings, Nuclear Fission and Hydrogen are expected to be published over the next few months.

Learn more about what we're doing to cut emissions on our website.

Energy Demand

We are committed to reforming the energy market to ensure that the UK has a diverse, safe, secure and affordable energy system and low carbon investment and deployment are incentivised.



Two new wind farms

DECC consented to the construction of two wind farms off the Norfolk Coast with a combined capacity of over 1GW. This means that 6.6GW of offshore wind power is now either operational, under construction or consented in the UK. The two wind farms at Race Bank (580MW) and Dudgeon (560MW) in the Greater Wash could generate enough electricity to power around 730,000 homes. The projects represent around £3 billion of investment.

Capturing electricity efficiency potential of the UK

DECC published two pieces of work on the future of our electricity system: its response to the consultation on transmission

licences anticipates that changes to the regime on constraints could save up to £300 million between 2012-17; its conclusions on the initial **Electricity Demand Reduction Assessment** finds significant potential for greater efficiency in the use of electricity.



Electricity Market Reform In a Civil Service World article,

Stuart Watson explains the pressures on this key area of policy making and examines the energy department's plans, drawing from discussions with former Minister of State Charles Hendry, DECC's Director of Strategy Ravi Gurumurthy, analyst at Bloomberg New Energy Finance, Brian Potskowski, senior campaigner at Friends of the Earth, Paul Steedman, and Nick Molho, Head of Energy Policy at World Wildlife Fund UK.

RHI Installations Report To provide greater transparency and certainty for potential scheme



applicants, members and investors, DECC has committed to providing a weekly forecast of estimated spend for the 2012/13 financial year (based on applications received to date). The latest updates can be found on the Ofgem: **Renewable Heat Incentive public report web pages**.

Renewables to create multi-billion pound boom for the UK economy

Changes to subsidies for renewable electricity as a result of the Banding Review for the Renewables Obligation could incentivise £25 billion of investment into the economy and continue to ensure the UK as an attractive location for gas investors.

Learn more about what we're doing to meet energy demand on our website.





Out and About

Ministerial activity and regional highlights during July and August



Microgeneration decarbonising In his keynote speech to The Micropower Council Summer Reception in London, Climate Change Minister Greg Barker reviewed achievements made in the previous year to the development of proposals and policies in support of the microgeneration sector. He reiterated the Government's commitment to green growth and the critical importance to future energy goals of decarbonising our homes and moving to renewable and low carbon technologies.



Cornwall collective switching At a visit to the Eden Project, to launch the collective switching scheme **Cornwall Together**, Secretary of State Edward Davey spoke of his vision for energy collective purchasing and praised the Cornwall Together initiative as the 'first of its kind'. Edward Davey also wrote to local authority chief executives across the UK to encourage them to consider leading and facilitating community energy switching and bulk buying schemes.



CRC Energy Efficiency Scheme

Read the report of two stakeholder events held in Manchester and London in May and June on simplification of the CRC Energy Efficiency Scheme consultation. Paul Wilson, Head of CRC at DECC delivered the consultation event presentation.



Highlands & Islands of Scotland

Former Energy Minister Charles Hendry travelled to the Highlands & Islands of Scotland touring Global Energy Group's large scale fabrication site at NIGG which is to be developed into a modern multiuser facility serving a range of energy sectors, including oil & gas and renewables. He also visited Falck Renewables in Inverness, the largest independent onshore wind farm company in the UK, and the Total gas plant in Shetland. He met with The Scottish Council for Development & Industry, Energy North and Highlands and Islands Enterprise.

Read more news stories on the our website.

DECC REVIEW



If you are not on DECC's mailing list, you can register online, which allows you to manage your subscription to our newsletters in a secure manner.

Open Consultations

Consultation on the second version of the Smart Metering Equipment Technical Specifications Close Date: 08.10.2012

Consultation on proposals for the levels of banded support for solar PV under the Renewables Obligation for the period 1 April 2013 to 31 March 2017 Close Date: 19.10.2012

Consultation on proposals to ensure sustainability and affordability for the use of biomass under the Renewables Obligation (RO) Close Date: 30.11.2012

Visit our website for more information on all our consultations.

We welcome your feedback, contributions and opinions on the DECC Review

Email: Editorial team

Editor: Nnenna Oleforo



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