



If it works, don't fix it. Unless it's a successful energy-saving programme

Everybody would agree that the Carbon Emissions Reduction Target has been a great success reducing household emissions by at least 8m tonnes. But proposed changes could destroy its entire credibility

For the past decade, the big energy companies have had ever increasing obligations to help householders save energy. These requirements have been met by the provision of financial assistance towards the installation of agreed energy saving measures.

By any standards, the policy has been a great success. Now after two name changes CERT (the Carbon Emission Reduction Target), has succeeded in reducing household emissions by at least 8 million tons of carbon dioxide (MtCO₂). The National Audit Office has confirmed it is one of the very best value climate change programmes.

By bringing to reality the rhetoric about the need to invest in more energy efficient measures, it has genuinely transformed markets: for appliances like integrated digital tuners; for professional loft insulation; for window ratings.

It has created many new jobs. It has greatly increased comfort and well-being. It has even improved the security of energy supply. All in all, a veritable success story.

Prime Ministerial confidence

Back last September, the Prime Minister announced that he felt that the present scheme – begun just five months before – should be expanded by one-fifth. His confidence this could be done was borne out by recently published figures from the energy regulators, OFGEM. These reveal that after just nine of the 36 months of the scheme, 38MtCO₂, 49% of the total savings required (75.8MtCO₂), have been achieved.

So now the government is consulting on some new rules stipulating how the Prime Minister's extra 20% requirement can be met. Previously such consultations have been rather arcane events, with detailed technical discussions about precisely what size credits should be offered for which items. This time around, it is rather different. And could destroy the entire credibility of the scheme.

Fundamentally, the changes proposed are two fold. The first is that DIY loft insulation top-ups would suddenly "earn" 50% higher carbon scores than before. This means, for every two rolls of insulation installed, the energy company would be credited as if there had been three. Great for them: but less happy for the environment. According to the small print in the government's own consultation document, the impact of such



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extra generosity would be a lifetime reduction by up to 7.4MtCO₂.

Interestingly, even insulation manufacturers don't think this uplift is necessary. The relevant trade association Eurisol:UK has made plain its members do not want to see such special treatment for its products. As under the existing scoring system B&Q are able to offer DIY loft insulation at £1 a roll, it really does seem to be unnecessarily generous to the energy companies.

The second proposal is that the provision of any personalised advice should earn credits - more so if accompanied by visual display meters. Including such non-hardware items within the CERT scheme is a major change. And a major headache for OFGEM, trying to ensure the integrity of the scheme.

It is all very well a Domestic Energy Assessor (DEA) explaining to a householder how a thermostat or a TRV works. That advice may

well have some immediate impact. But there is no evidence that such an effect can be sustained – especially as energy companies will be able to obtain credits even in homes where no actual additional energy saving artefacts have been installed in consequence.

Compound effectiveness

Measurements of the effectiveness of all other measures under CERT are evaluated by calculating their compound effectiveness to 2020. Whether a chat with a DEA in 2009 will still be remembered verbatim 11 years on is questionable. Of course we can hope this will be augmented by more effective "Act on CO₂" messages from government in the future. But these messages will be from government. There is no reason why CERT-related actions should be credited.

Providing a visual display unit (VDUs) will also now score. And pretty generously too: deemed to prompt savings of almost a whole tonne of CO₂ each!. Such units can have a demonstrable impact on behaviour. But again only in the short term. The presumption that such units will still be affecting how electricity (they don't affect gas, the main household fuel) is used in 15 years from now is a genuine triumph of hope over experience. The government acknowledges that when the batteries run out, few will bother to replace them – but nonetheless proposes allocating even an installation with disposable batteries an assumed lifetime saving of a whopping three-quarters of a tonne of CO₂.

It is not clear whether these calculations take into account that by 2020 it is policy that all households will have had true smart meters installed. Thus rendering all VDUs - whether with working batteries or not! – completely redundant. My suspicion is that they don't.

These proposed changes to CERT – running as they will now not just to April 2011, but to January 2013 – would make very radical alterations to what is a tried, trusted and successful programme. I do not believe the case has been made for making such changes in the middle of a programme. The consultation exercise ends on April 14. I intend to urge the government to drop these changes, and stick with the existing system. ■

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FURTHER INFORMATION

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