

# MAKING OR MAKING UP ALL THOSE CARBON SAVINGS?

Do carbon savings schemes such as the Building Regulations actually deliver what they are claimed to? And whose responsibility is it to verify the claims?

It isn't a conspiracy. But there are a large number of people in whose professional interests it is to pretend that specific public policy measures are succeeding. Even where it is transparent that they are not.

Consequently, many of the carbon savings being ascribed to government policies are, if not illusory, then certainly seriously over-stated.

I can identify four current and two future energy, hence carbon saving, schemes which I seriously doubt are delivering in reality much of the carbon reductions officially ascribed to them. These are:

- **The energy conservation aspects of the Building Regulations.**

Last year the se were tightened. Officially standards were upped by 25%, and will deliver an extra 1.4 million tonnes of carbon saving by 2010. But will they? Even 18 months on, less than half new homes have insulation at the new standards. Partly because builders are working from earlier planning permissions. But also because what appears on the drawing board, isn't always what occurs on site; corners are cut, energy saving measures quietly omitted. Nonetheless the carbon calculations assume that every single building, inhabited from the day the new regulations were adopted, is built to the new standards.

- **Meeting the savings agreed to obtain an 80% Climate Change Levy discount.** Some 46 process plant sectors entered into agreements, to obtain discounts on the CCL. Worth in total over £900m. And in carbon terms, 2.5 million tonnes by 2010. Every agreement was individually negotiated with the relevant trade association. They each involved many different sites. Each reported back saying that the targets had been met. Some sectors will have vetted the reported savings strictly. But some will have made a rough, optimistic guess. And hoped – rightly – that they wouldn't be challenged.

Savings from these agreements had already been assumed as occurring under business-as-usual. Before the negotiated agreements took place, the government had already published some forecasts which assumed that businesses would, regardless, be undertaking many energy saving investments. As the average final agreement limited itself only to savings cost-effective within two years, and still only required 60% of these to be done, there is a prima facie case for suspecting that most of the savings ascribed to these agreements had already been assumed to be taking place anyhow.



**'I AM GOING TO REQUIRE SOME CONVINCING THAT THE CARBON SAVINGS ASCRIBED TO MOST POLICY INSTRUMENTS ARE NOT IN DANGER OF BECOMING A COMPLETE FICTION'**

Delivering extra savings from the UK greenhouse gas trading scheme which were not already mandated by regulatory authorities.

The UK government is giving £215 m to pump-prime our own voluntary emissions trading scheme, expecting it to deliver the equivalent of 2 million tonnes of savings. Much of the money, and hence most savings were due from, three companies, each of which were already required to make most of their reductions fulfilling other requirements (see *EiBI news March 2003*).

And coming soon: ensuring that the vouchers under the European carbon trading scheme do equate to real, as opposed to illusory, savings.

The trading scheme is due to deliver up to 4 million tonnes by 2010. Trades can take place throughout the EU. Each country will have its own vouchers, authorised by a national vetting body. All it requires is one (southern?) European country either to approve invalidated savings for vouchers, or to permit outright forgery, and the entire trading network currency is undermined.

- **Ensuring that energy certificates for commercial**

**buildings are independently verified.** New European law requires larger building to be energy certified. The surveys to create the certificates are to be undertaken "in an independent manner." That doesn't mean you can't be on the payroll of the company whose buildings are being checked: it could just mean you have professional indemnification. Who will readily bites the hand that feeds them? Quis custodiet, custodiem?

Who will point out these "cheats"? Not the companies which are part of these systems. Why should they rock the boat, if they can get kudos for being green, and money, and not to have to do as much as they feared?

Equally it is in the interests of any politician who promotes a policy to declare it a complete success. As it is of the bureaucrats. And of those employed to oversee the detail of the policy.

In the end it can only be those whose role it is to protect the common weal who have the genuine motivation to ask the tough questions. Already the Sustainable Development Commission has started to ask some difficult questions about the veracity of many claimed carbon savings. Equally if public money is involved, the National Audit Office has a direct interest in checking.

Whoever it is, I for one am going to require some convincing that the carbon savings proudly ascribed to most policy instruments are not in danger of becoming a complete fiction. And if so, what does that say for our much-touted international Kyoto commitments?

#### FURTHER INFORMATION

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