



## Association for the Conservation of Energy

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# Examples of our weekly updates and news summaries

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At the beginning of each week, we email all our members with an update on key insights we have gathered in the previous week from our conversations with policy makers and other key stakeholders. We also email a brief summary of key news items from the previous week – selecting those that we think are most important and relevant for the energy efficiency sector and, where relevant, reflecting on what they mean for us and for you. Below is the text from an example of each of these communications.

## Weekly update example (from January 18, 2016)

### Policy update: ECO

***In brief:** DECC likely to publish a consultation on the framework for ECO to 2022 and the details for the 2017/18 extension of the scheme in April. Regulations are likely to be laid in the autumn. The transitional year is likely to include a carbon emissions reduction element before the scheme moves to focusing exclusively on fuel poverty from April 2018.*

On Thursday, I met with Richard Mellish at DECC, to discuss plans for ECO. DECC are aiming to publish a consultation on the framework to 2022 and the details for the 2017/18 extension of the scheme as soon as possible, probably in April. Following this, the regulations would be laid in the autumn. We are concerned that this timing could result in an autumn hiatus in activity, and we will be making this point to DECC.

The transitional year is likely to include some carbon emissions reduction element but, as we know, the scheme will then move to focus exclusively on tackling fuel poverty. We discussed the potential for

other funding sources to match ECO monies, in particular the scope for better working with social housing providers and for local authorities to bring in European money (although we hear that there may be issues with the latter at the present time; something we are looking into further). We also discussed: measures to be included within the deemed scores framework and the need for an efficient process to add new measures to this list as appropriate; the likelihood that there will be a minimum set for numbers of solid wall installations; and, alongside this, perhaps a cap on boilers. Please do let me know any thoughts you have on any elements of this detail, as this will feed in to our ongoing conversation with DECC as well as our formal consultation response.

Whilst in Edinburgh (see below), Jenny met with Liz Marquis, Director of the Energy Agency, who deliver three HEEPS area-based schemes on behalf of Scottish local authorities. Their experience is of use to help inform our understanding of locally-led delivery models for home energy efficiency, which may become more important as ECO shifts to a fuel-poverty focus and the Government looks to improve targeting within the scheme. Interesting elements of the schemes Jenny and Liz discussed included the dominance of SWI (about 70% of what the schemes deliver) and the innovative evaluations being carried out using NHS health indicators. It is hoped that these evaluations will deliver valuable models for closer working with / funding from the NHS throughout the UK, and Liz has agreed to keep Jenny up to date as these evaluations progress.

### Consultations: Energy Efficiency Directive

*In brief: the European Commission consultation on the Energy Efficiency Directive remains open until 29th January. We are participating in discussions at the UK and European levels on the key issues to include in responses. We will soon draft our response and circulate to members for their own use. Your views on the consultation as we develop this response would be welcome.*

On Friday, Pedro participated in a workshop hosted by the Energy Saving Trust on the European Commission's review of the Energy Efficiency Directive (consultation open until 29th January). The workshop's focus was on Article 7, which stipulates that Member States must have in place programmes – ideally including energy efficiency obligations – that will deliver annual final energy savings of 1.5% per year to 2020 (compared to baseline energy consumption).

The discussions at the workshop highlighted a number of issues with particular importance for UK responses to the consultation. These included:

- the need to extend the time horizon to 2030, as this would encourage more activity for energy efficiency investments that have longer payback periods;
- whether the policies the UK Government reports to the Commission will still be enough to meet the savings target, given that zero carbon standards for new buildings have been 'postponed' and lower-than-expected new-build rates mean that savings from new build will be lower in any case;
- removing exemptions, granted to particular sectors, which reduce the real energy savings that need to be achieved;
- whether the UK is double-counting energy savings from building regulations (if it is, then the UK is certainly not compliant with the Directive and will need to demonstrate greater energy efficiency effort).

We are also following the debate amongst Brussels-based groups via my involvement with ecee. There, the main concern does seem to be the need to remove exemptions so that the 1.5% target is actually

delivered. The ACE team will now draft our response to the consultation, and circulate for members' use. If you would like to feed any views into the drafting, please do let me know.

## Weekly news summary example (from January 18, 2016)

### [UK Government misses its own green targets](#)

The Guardian reported on 11th January that Government narrowly missed its own target to cut carbon emissions from government buildings by 25% in 2014-15, compared with 2009-10, achieving a 22% reduction. Hopefully, the effect of energy efficiency investments on expenditure (the report, from Defra, estimates that a saving of over £160m on energy bills was achieved last year, when compared to bills in 2009-10) will have encouraged more investment this year. We are in discussions with DECC about the development of public sector energy efficiency action, following the allocation of £295million over the course of this Parliament, to build on the Salix finance scheme.

- The report can be found here: <https://www.gov.uk/government/publications/greening-government-commitments-2014-to-2015-annual-report>

### [Amber Rudd promises new climate plan by the end of 2016](#)

In a speech at an Aldersgate Group event, Amber Rudd promised that a new climate plan would be published by the end of this year. Business Green (13th Jan) reported that the Secretary of State reiterated her commitment to meeting climate change obligations was matched by a commitment not to do so at the expense of energy security or at undue cost to consumers. She emphasised the need for a pragmatic approach, and the need to 'take the public with us'.

She also suggested that we need new thinking in a number of areas, including energy efficiency. ACE continues to work with officials at DECC, to help them develop this 'new thinking' and refine ideas into policy proposals that are pragmatic from the perspective of the energy efficiency supply chain.

### [Almost two thirds of elderly people don't heat their homes as much as they would like, because they are worried about fuel bills](#)

A comparethemarket.com survey has shown that more than 60 per cent of elderly people will ration heating this winter because they fear high energy bills, according to a report in the Telegraph on 14th January. The company notes that many elderly people are very reluctant to switch energy suppliers despite the bill reductions that are possible. Age UK urged the Government 'to be far more ambitious about eradicating fuel poverty by introducing a comprehensive energy efficiency programme to help those who are most at risk from the cold.'

This article comes at a time when much of the media, including the Telegraph, remain focused on calls for energy companies to reduce unit prices. Our Hon President has written to the Telegraph to point out the failings in this approach (letter published on 15th Jan):

Sir,

*Your leader highlights the problem that pensioners and others – especially families with small children – face with paying winter fuel bills. However, the solution you proffer, of lowering the unit cost of heating fuels, ignores the main cause of the problem. Survey after survey has shown that Britons occupy some of the leakiest and most poorly insulated homes in western Europe. This means that we use far more fuel than*

*other Europeans to try to keep warm. The government should heed the call made by Age UK in your cover story, and introduce a comprehensive home energy efficiency programme.*

*Andrew Warren*

Perhaps it is time to make common cause with the energy suppliers, to refocus the conversation away from assigning blame on one part of the energy sector and towards enabling another to deliver a lasting solution.

### ***[European Commission Consultation on rules for National Energy Plans](#)***

The European Commission is consulting on the rules for the national plans that are the main implementation tool for the 2030 energy use reduction target. The consultation is open until 8th April: ACE will be reviewing it in the coming weeks, and will circulate a draft response for members' use in advance of the consultation deadline.

### ***[Parliamentary Under-Secretary of State for Energy Efficiency to give evidence to Select Committees](#)***

Lord Bourne will be giving evidence next week to two Select Committees. On Tuesday 19th at 10am he will appear before the Energy and Climate Change Committee, as part of their Inquiry into home energy efficiency. On Wednesday 20th at 2.45pm, he will give evidence to the Environmental Audit Committee as part of their assessment of EU/UK environmental policy.

More information about these Inquiries and the evidence sessions can be found here:

- [Energy and Climate Change Committee](#)
- [Environmental Audit Committee](#)