The Energy Efficiency & Microgeneration (Scotland) Bill Proposal – Summary of Consultation Responses

Introduction:

In response to the twin challenges of climate change and fuel poverty, Sarah Boyack MSP proposed a Member’s Bill in the Scottish Parliament in December 2005 which recognised the use of micro-generation technology to reduce greenhouse gas emissions and improve energy efficiency.

The draft proposal for a Bill aims to “promote energy efficiency by requiring the Scottish Executive to support the means of small scale renewable and low carbon energy production both in new and existing households and business premises by adoption of regulatory, administrative and financial measures”

The consultation ran until March 17th 2006 with 62 responses received from both organisations and individuals including 10 local authorities and a range of charities, companies and church organisations. A summary of the responses received is provided below. A full list of respondents is attached.

Consultation Question Responses:

Question 1: What do you consider are the benefits of the legislative approach in promoting small scale renewable energy production in both existing buildings and new developments?

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Of the respondents who specifically answered this question, all agreed that there were many benefits to the proposed legislative approach. A general consensus was evident with respondents suggesting that without using a legislative approach, the ultimate goals of reduced carbon emissions and reliance on fossil fuels will be nearly impossible to reach.

The overwhelming benefit discussed by the respondents was that legislation would provide much needed stimulation to the market. Ideally, this will then lead to the mainstream installation of micro-renewables and therefore to a decrease in cost.

Midlothian Council suggests that “without some sort of compulsion it is difficult to see how micro-generation is to make the leap to full commercial viability. The market needs to be made to kick-start volume production so that prices come down.” Fife Council concurs with this statement as they find legislation to be “necessary and overdue” and it will ensure that “costs will be borne equitably by the market”.

The Highland Council commented that legislation would help to maintain and enhance not only government commitment to mitigating climate change but also mainstream existing good practice which is currently still patchy. It particularly notes
how the Scottish Executive’s grant based Scottish Community and Householder Renewables Initiative has demonstrated the extent to which a “carrot” approach can be effective in promoting community investment in renewables.

Similarly Age Concern Scotland comment that “a legislative requirement on the Scottish Executive and/or local authorities in the form of targets may encourage the development of funding streams which could remove or reduce the cost barrier to elderly households”

Question 2: What disadvantages, if any, do you think there might be with this approach?

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Just over a third of the respondents (26 respondents) considered that there were disadvantages to pursuing a legislative approach to promoting use of micro-renewables in both new and existing buildings. The disadvantages they cited are set out below. However, it should be noted that just under the same amount (25 respondents) did not identify any disadvantages and several agreed with the suggestion that there were no disadvantages in theory.

The most prominent possible disadvantage noted by the respondents was the financial burden the initial encouragement in micro-renewables would create. Eight respondents specifically addressed this financial concern. While most concluded by stating that the initial financial burden was a small problem in relation to the larger problem of the current reliance on fossil fuels, the cost remains an important issue to consider.

Commenting on the possible financial burden, Fife Council suggests that “the increased capital cost will be perceived as a disadvantage by developers.” One individual respondent agreed with this as “disadvantages might be to discourage new build because of the overall increase in costs.”

Murrayfield Community Council also expressed fear at the increase in costs; “the main danger is that too much regulation and excessive costs might be introduced.” The Federation of Small Businesses expressed a similar hesitation as the “higher capital costs may act as a barrier to small business start-up and growth.”

Some respondents expressed concern that micro-renewables would be too expensive, and therefore would only be utilised by those who could afford to install them. This would not help the thousand of citizens who currently live in fuel poverty, as current grants are not sufficient and fuel prices continue to rise.

One individual respondent confronts the suggestion of the burden of cost by suggesting that the financial costs of continued nuclear reliance are far greater. She comments, “An enormous concern I have is that the long term environmental and financial costs are not being taken into account if the nuclear power route is progressed.”
**Question 3: What are your views on the following specific measures as outlined in the paper?**

**i: amendment of building standards**

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Most respondents agreed that an amendment to the current building standards is necessary to facilitate the installation and success of micro-generation technologies. Many respondents believe that amending the building standards will help accelerate the process through which micro-renewable technologies are adopted.

Two respondents addressed the building standards in England and Wales and suggested that the amendment was necessary to elevate Scotland to the same level as the rest of Great Britain. The Aberdeen City Council suggests, “This should occur to bring Scotland up to the standard of the revised building regulation in England and Wales . . . the requirement to meet these standards provides a strong incentive for developers to make much greater use of low and zero carbon technology.” SCARF (Save Cash & Reduce Fuel) also referred to the progress of England and Wales in their response as they suggest that an amendment to the building standards “should occur to take Scotland above the revised building regulation in England and Wales.”

The primary reason some respondents did not support an amendment to building standards was due to the initial financial burden it may impose. They are wary about requiring the installation of micro-renewables rather than having it serve as an alternative with incentives to ensure that it gains in popularity. The Murrayfield Community Council commented, “We have reservations about the advisability of requiring such equipment in new installations and would prefer an incentive-driven approach.” The Federation of Small Businesses also worries that as a regulatory requirement it “may in fact act as a barrier to business start-up and growth.”

Many respondents also agreed with the proposed removal of the requirement to seek planning permission if certain conditions were met because they viewed the current process of applying for planning permission as unnecessarily time consuming with the risk of deterring individuals from seeking out and installing micro-renewable technology.

Age Concern Scotland state that, “The paper proposes ‘permitted development' status for some such technologies. Age Concern Scotland believes this to be vital if elderly households are to adopt this technology, otherwise the need to become embroiled in the planning process is likely to act as a disincentive.”

One individual respondent commented that “It would certainly make matters easier, if you did not have to go through all the red tape and government bureaucracy”. However another individual made the point that appropriate training for installers and efficient monitoring of their work would give local authorities confidence in their work to make bypassing stringent planning permission procedures possible.
ii. setting targets and annual reporting of progress

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<th>Target setting is positive</th>
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Though all respondents who addressed the question regarding target setting and annual reports agreed they were necessary (one respondent agreed that targets were necessary but that annual reporting was too arduous), they were very critical of the process by which targets are created and monitored. Targets must be closely monitored, results must be accessible to the public, and the process must not be too bureaucratic.

The Mountaineering Council of Scotland suggests that targets are “potentially valuable provided reviews are not too onerous.” The John Muir Trust is also critical of targets because “whilst targets are a useful tool to benchmark progress, they are a very weak tool on their own. . . to make targets meaningful requires there to be some ongoing measurement throughout the period and some consequence of failure.” One individual respondent also agreed that there must be “clear and fair penalties in place for those who don’t comply.”

Those who responded to the question did not place much attention on the aspect of annual reporting, but rather focused primarily on target setting. Either they did not consider annual reporting to be as important as target setting or they understood them to be dependent upon one another. One suggestion from Energy Action Scotland regarding reporting was that it be completed biennially rather than annually to keep the focus on meeting the targets rather than on completing the report.

iii. encouragement of local authority measures

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Of the respondents who addressed the encouragement of local authority measures, all agreed that local authorities are essential to the success of micro-generation and therefore must be supported in their efforts.

The Mountaineering Council of Scotland believes that “local authorities should be encouraged to engage constructively in these developments.” In a joint submission Friends of the Earth Scotland and the Association for the Conservation of Energy concur as they state that, “in order to achieve more widespread roll-out of micro-renewable measures, it is essential that local authorities play their part in promoting micro-renewables.”

The Energy Savings Trust “broadly supports the proposed measures aimed at local authorities. Local authorities will have a clear role to play in helping to deliver national targets. . . The bill should commit to mainstreaming energy efficiency by placing a legal obligation onto local authorities to address these issues in their activities.” WWF Scotland also believes it is necessary to make local authority
participation a legal obligation as they suggest “statutory requirements should be placed on local authorities to ensure delivery.”

Aberdeen City Council and SCARF both believe that local authority measures can be included under the Home Energy Conservation Act. “Being responsible for local targets and reporting on progress can be seen as a simple extension of the existing arrangements under HECA (The Home Energy Conservation Act) through which local authorities have already been given responsibilities to be energy conservation authorities,” suggests the Aberdeen City Council. SCARF reiterates this idea in their report.

iv. administrative and financial incentives

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The majority of the respondents indicate that incentives are both positive and necessary to the successful implementation of micro-renewable technology. Many respondents consider the current high expenses for this technology and the lack of available grant money to be the primary reason micro-renwables are relatively unheard of. With an increase in grant money and possible reduction in their council tax as financial incentives, homeowners are more likely to consider renewable technology, especially when considering the current rise in the cost of fossil fuel.

Friends of the Earth Scotland suggests that “giving a financial incentive in the form of a council tax or business rate rebates would help overcome the barrier of cost, and is therefore warmly welcomed.” WWF Scotland also believes that a reduction in council tax should be given and fiscal measures should be attached to a building’s total energy performance.

Some respondents believe that incentives will only be needed initially, and that as micro-generation technology becomes the norm and costs are reduced, that incentives can be eliminated. One group of individuals believe that “financial incentives are a good short term measure, though in the long term economies of scale will diminish the need as micro-renewables will be affordable.”

The Highland Council did warn that financial incentives should not be made in the form of council tax reduction because this would have resource implications for local authorities. However, on the whole the Council supported the use of financial incentives.

**Question 4:** Please elaborate on any views you might have on any existing small scale renewable energy policy initiatives, north and south of the border, and how these might relate to what is being proposed.

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Many respondents did not answer the question regarding other existing renewable energy initiatives. Many claimed they were unfamiliar with any other initiatives, which is a problem in itself. It is critical to the success of micro-generation that people are sufficiently educated and aware of current possibilities.

A few respondents referenced the requirements of the Mayor of London regarding renewables. Midlothian Council supports London’s “requirement for 10% on-site renewables.” An individual energy consultant also supports the initiative in London as she writes, “I think it is great to see what is happening in London, we need that commitment here.”

Milton Keynes Council and Working Borough Council were also identified by several respondents as being successful examples of the positive implementation of micro-generation technology. The Wise Group describes them as “prime examples of what can be achieved with the political will.” Midlothian Council also supports the efforts of Milton Keynes Council’s efforts to achieve carbon-neutral buildings. WWF Scotland highlights the important progress that has been made by Woking Borough Council for “reducing CO2 emissions by 77% in 15 years from its own estate, including social housing.”

Many respondents also referred to the Sustainable Community and Householder Renewable Initiative (SCHRI) in Scotland. Many considered it to be a “step in the right direction” for Scotland, while believing it to be in need of more extensive funding. Friends of the Earth Scotland and the Association for the Conservation of Energy describe the programme as being “successful in stimulating demand for micro-renewables in Scotland” and argue that “funding must be guaranteed on a longer-term basis, in order to provide the stability to allow manufacturers to invest and plan ahead.” The Highland Council also supports the SCHRI initiative and agrees that “more government commitment is needed to safeguard this initiative.” The John Muir Trust believes that “much more needs to be done beyond the current levels of support through the SCHRI if micro-generation is to make the contribution that is necessary to climate change objectives.”

**Question 5: What in your view would be the financial costs, if any, of what is being proposed?**

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The responses regarding the financial costs of micro-generation varied greatly in content. Some respondents indicated that something must be done to prevent financial costs from becoming too prohibitive while others indicated that, while there would be initial costs, these would be balanced by decreased energy bills over time.

The Wise Group suggests that though the initial investment required may be relatively high, “the resulting market stimulation will ensure that ongoing investment is kept to a minimum.” One individual respondent from Glasgow, put the view that “costs could be reasonable and with increasing energy costs a sound investment.” Aberdeenshire Council proposed that though installation costs may be high, they are necessary to reduce the detrimental effects of high carbon emissions.
Help the Aged expresses their fear that, due to high financial costs, “only those who can afford it will benefit from micro-generation and that as micro-power expands the utility companies will be forced to charge higher prices to those heating their homes in conventional ways”. It goes on to suggest that in order to prevent this from happening, a system of grants be made available to those on low and fixed incomes in private housing, possibly tied into current Scottish Executive fuel poverty programmes.

The Highland Council expresses concern that “the financial cost of a single house construction, which is a vital part of sustaining rural communities, could rise significantly as a result of the proposal to make renewable energy obligatory in new developments.”

The majority of respondents did not provide an answer to the question regarding financial cost. Many simply stated that they did not have the background knowledge to provide such an answer.

**Question 6: Do you consider there to be any equalities issues raised by what is being proposed? If yes, please elaborate.**

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<th>Yes, there are equalities issues</th>
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The most prominent equality issue raised was that of fuel poverty. While there were a few respondents who believed the Bill will greatly help those in fuel poverty, many remained wary about the fate of those already struggling to heat their homes. Many of these respondents believe that the costs are too prohibitive to allow these people to install micro-generation technologies in their homes, and therefore a more extensive grant programme is necessary.

Age Concern Scotland and Help the Aged are two forerunners in the campaign to protect the elderly from fuel poverty and both groups remain sceptical about the extent to which the Bill in itself can actually accomplish this goal. While supporting the purpose of the proposal, Age Concern Scotland states that “much work would be required to explain the technology and its benefits to elderly householders and to ensure the process of identifying, purchasing and installing the relevant equipment is simplified.” As previously discussed, Help the Aged fears the proposal does not extend far enough to help those in fuel poverty and rather suggests that “a system of grants be made available strictly to those on low and fixed incomes” to allow those in fuel poverty also to reap the benefits of micro-generation. St. John’s Church also addresses hesitation towards those in fuel poverty as they suggest that, “fuel poverty issues would need to be more closely examined . . . applying the scheme [micro-renewables] in tenement property with poorer residents would be complicated.”

Another inequality issue raised by two respondents was that those who live in a designated conservation area will not benefit from the Bill. Lister Housing Cooperative expresses support for the Bill proposals although “they would be
unlikely to be used by Lister because of the listed building/conservation area status . . . in the future the planners need to be more flexible.” These views were shared by an individual respondent, who believes conservation areas will have a difficult time benefiting from micro-renewables due to strict planning regulations.

An independent energy efficiency consultant suggests that an equality issue arises as there are no incentives or benefits for landlords or housing providers to install micro-generation. The Highland Council also finds equality issues as they feel that inequalities are experienced by new homeowners as “first time buyers looking to construct a new house in a rural area within tight financial limits could be unfairly disadvantaged by this proposal” as costs of building a home will rise as a result of the installation costs of micro-generation.

Question 7: Please feel free to raise any relevant issues you consider that have not been covered in this consultation.

The respondents discussed a wide range of “other issues” that they felt should be considered and/or addressed in the Bill. Many respondents did not directly answer the questions but rather addressed one or two issues of great importance to them, which will be highlighted in this section.

The most frequently addressed issue was that of combating fuel poverty. While this issue has already been discussed, it should be reiterated as it is obviously of great importance to the majority of respondents. The Shetland Islands Council stressed that especially in cold and windy climates such as Shetland, renewable energy must be made accessible to those in fuel poverty. The Edinburgh Tenants Federation believes that “a dedicated investment program to vastly improve fuel efficiency in homes in the social rented sector, both existing and new build, would be a considerable contribution to reducing fuel poverty.”

Another reason given by respondents in welcoming the Bill was that they viewed the proposals as providing a promising alternative to large-scale wind farms. While people recognise the importance of renewable energy, many are frustrated with the proliferation of these wind farms, especially in regions which thrive on tourism and therefore see micro-renewable technology as an ideal solution. The John Muir Trust expresses its support for the Bill because it is “committed to sustainable land management and, therefore, opposes large, industrial-scale wind developments which impact wild land.” One individual concurs with this assessment expressing concern for “the continued welfare of the county’s bird-life as the spread of large wind farm schemes would seem to provide a hazard . . . Sarah Boyack’s proposals would offer an alternative or an acceptable complement to the spread of wind farms.” Most of those offering these comments were individuals.

Some respondents raised the concern that the proposal did not place enough focus on the potential of micro-CHP (combined heat and power) and biomass. Scottish Natural Heritage suggests that coal, gas, and oil-fired micro-generation should only be considered in the context of high efficiency, low carbon emission CHP. The Industrial and Power Association advocate the use of gas-fuelled micro-CHP explaining that “this technology, although not renewably fuelled, is expected to bring cost effective and substantial carbon savings. In the short term there may well be
much larger opportunities for micro-CHP compared to other small scale renewable technologies.”

SCARF suggests that the Bill should clearly specify the systems of low and zero carbon heating schemes “both with and without CHP and fuelled by both renewable sources and natural gas.”

In regard to biomass, the Energy Agency of Southwest Scotland feels there is not enough attention placed on Scottish forestry. The Agency suggests that “the use of biomass boilers and the resulting supply chain developments in fuel supply could be the answer to many of the employment, market stimulation, and investment issues referred to in the report.” Members from the Energy Advice Forum also believe more emphasis should be placed on biomass as it is viable in both rural and urban areas.

Some respondents also expressed concern that though the title of the Bill proposal refers to both energy efficiency and micro-generation, little attention was placed on energy efficiency. The Mountaineering Council of Scotland suggests that “the consultation paper should emphasise the need for energy efficiency more explicitly.” The Highland Council expresses similar concern as they write that “the Council is disappointed that the consultation paper fails to address the first principle of energy efficiency, which is the need to reduce the amount of energy that we consume.”

Another issue that respondents noted was the need to create greater awareness on the current potential of micro-renewable technology. Many citizens are not even aware that such technology exists and of the great influence it can have on reducing carbon emissions and reliance on fossil fuels. An individual respondent suggests that “a renewable infrastructure at the current time requires the forming of new energy efficiency education environments and the expansion of the educational curriculum in the areas of sustainable energy and renewables.” The Southside Community Council also expressed the belief that there must be greater effort put into educating the public as “there is still a lot to be done both in practical and educational ways to help conserve energy or minimise wastage of energy.” Without proper education it is suggested, average citizens will likely remain unaware of these technologies that can have a positive impact on both the individual and the environment.

Some respondents indicated frustration with the bureaucratic nature of acquiring micro-generation. The requirements are currently vague and the process is unnecessarily time-consuming. An individual respondent from Edinburgh, writes “I am delighted [with the solar water heating and photovoltaic panels she has installed in her own house] and in the end feel it has been worth the trouble. I’m thinking many people would have given up, too much bother . . . simple guidelines right from the start would have been a great help.” Another individual argues that it is currently too difficult to access quality information regarding micro-generation. “The consumer needs to have hard information and confidence in any proposed investment.” Micro-generation will not become mainstream technology until they are easily accessible by householders across Scotland.
The final comment that was prominent throughout the responses was the need for upfront, short-term savings predictions. Perhaps homeowners would be more apt to install micro-generation if they knew they would save “x” pounds each month in electricity payments. An individual energy advisor proposes that “the general public need in their face evidence of others benefiting . . . the public are cynical about projected fuel savings that they cannot instantly feel or touch.” Another individual respondent suggests that “enthusiasts may not require a cost-benefit analysis but for most people to make an investment decision, adequate information is necessary . . . there should be a way of assessing the relative merits and costs of the various schemes.”

**Conclusion:**

This Bill proposal has been met with overwhelming support in principle. A common theme through most of the responses is agreement on the potential of micro-generation and micro-renewables in combating the problems associated with greenhouse gases and increased dependence on depleting fossil fuels. Although in some cases driven by a hesitation regarding large scale renewables, such as wind farms, there was virtually no opposition to micro-generation and micro-renewables in principle.

The two related issues, which stand out as needing more clarification in the proposed Bill are those of combating fuel poverty and financial costs. There was a general consensus that fuel poverty is an issue of grave concern and while micro-renewables can reduce energy bills, it is important that extra measures may be required to ensure that they are accessible to those on restrictive incomes in addition to kickstarting the domestic renewables market and simplifying the installation procedure.

It is also important to note that only approximately half of the respondents actually answered the consultation questions directly. This was likely for a variety of reasons, primarily because people did not feel they had sufficient background knowledge to provide a useful response. It seemed as if many respondents had a specific comment or concern regarding renewable energy rather than being concerned with the specific text of the Bill proposal.

Nonetheless, the consultation exercise attracted responses from a wide range of individuals and organisations which will prove invaluable and will inform the final proposal and drafting of a Bill should it gain sufficient support in the Scottish Parliament.

Sarah Boyack MSP would like to thank everyone who has taken the time to participate in this consultation exercise.