Home Energy Efficiency Targets Bill proposal.

Analysis of responses to the consultation paper

Introduction
Earlier this year, Shiona Baird MSP launched a public consultation on:

“A Bill to require the Scottish Executive to establish targets to improve the energy efficiency of households by a specified date and to take steps, including the preparation of an action plan, to ensure those targets are met and to report on progress”

The consultation was launched with a media event on 21st February and the consultation ran until early June. The consultation paper was sent to around 50 potential consultees including all the key stakeholders in the issue of energy efficiency.

The respondents include all the NGOs who are actively campaigning on energy efficiency measures, as well as other parties with an interest in the issue.

Respondents include:
- Energy Action Scotland
- Energy Saving Trust Scotland
- Friends of the Earth Scotland/Association for the Conservation of Energy
- North Ayrshire Council
- Scottish Natural Heritage
- Solid Fuel Association
- UK Timber Frame Association

The consultation asked respondents four key questions;
1. Do you feel that the use of mandatory targets for improved energy efficiency is an appropriate way to tackle both fuel poverty and climate change in Scotland?
2. If not, then what other methods might be more appropriate?
3. If yes, what target level of energy efficiency improvement should be set and over what time frame?
4. What do you see as the main strengths and weaknesses of the Bill, as proposed?

Responses
Although Shiona Baird’s consultation paper asked a number of questions to help respondents frame their responses, the bulk of respondents chose not to answer them directly. Instead, most responses simply represent the organisations’ policies regarding home energy efficiency.
It is significant that all of the respondents supported the general principles of the Bill proposal, although there were differences of opinion as to how the targets should be set.

Given the number of responses, it seems most appropriate simply to provide a short précis of each respondent’s comments, followed by a summary of responses

1. **Energy Action Scotland**
   EAS submitted a detailed and comprehensive response to the consultation, expressing their general support.
   
   - They point out that a percentage improvement in energy efficiency in different local authority areas may represent totally different energy savings or carbon reductions. A council that has already invested in energy efficiency measures will find it more difficult to make a further 20% saving compared to a council that has made few energy efficiency improvements. Percentage improvements in the first council area will save less carbon and cost much more;
   - Rather than make percentage improvements, EAS believe that a minimum energy use target for each home must be set and achieved, and that this would be proof against fuel poverty (from an energy efficiency point of view at least);
   - EAS believe that such a minimum standard could be based upon the National Home Energy Rating (NHER) and should be set at 7 (the NHER is a scale from 0 to 10, with 10 being the most energy efficient). Such an approach would be effective in both reducing fuel poverty and the total amount of energy used in Scotland. EAS recognises that this measure could only be imposed on social rented landlords that are responsible for managing housing stock, with other incentives and penalties being applied to the private sector;
   - EAS are strongly in favour of measures that would improve home energy efficiency and lift people out of fuel poverty. They are not convinced, however, that a percentage energy efficiency improvement target is the most suitable way to achieve this.

2. **Energy Saving Trust Scotland**
   
   - EST are very supportive of both the aims and methods of the HEET Bill proposal. They agree that the proposed national domestic energy efficiency target be expressed as a percentage improvement in domestic energy by a specified date, and suggests that it should be at least a 20% improvement by 2010 from a year 2000 baseline;
   - Such an improvement would keep Scotland in line with the obligation contained in the UK Housing Act 2004. EST also advocate a commitment to the setting of further targets at 5 year milestones thereafter; these should be agreed in advance to ensure continuity and allow long term planning;
• EST believe that the Home Energy Conservation Act (HECA) is not proving as effective as it should be, and that the HEET Bill would help improve the effectiveness of HECA by making its requirements mandatory. EST also believe that there should be an ongoing revision of Building Regulations at least every 5 years to deliver continuing significant performance improvements as a key mechanism in moving towards the 20% target by 2010.

3. Friends of the Earth Scotland/Association for the Conservation of Energy

• They believe that the use of mandatory targets for improved energy efficiency is an appropriate way to tackle both fuel poverty and climate change in Scotland;
• Demand side management of energy is vital if the Scottish Executive is to have a significant impact on energy consumption, greenhouse gas emissions and fuel poverty;
• Buildings in the domestic sector account for no less than 27% of UK CO₂ emissions – if we are serious about tackling climate change, we cannot ignore the emissions from this source;
• There should be year-on-year cuts of greenhouse gas emissions of at least 3% p.a. – this target must be mandatory, not aspirational. Targets for reductions of GHGs from the domestic sector must lie alongside similar targets for other sectors;
• The domestic sector must be subject to binding targets of 20% improvement in energy efficiency by 2010, with a further 20% improvement by 2020 – these targets are broadly in line with the 3% p.a. target needed to reduce GHG emissions by 60% by 2050;
• This national target should be supported by appropriate targets at a local authority level, either through percentage targets or by setting a target date for a certain level of NHER.

4. North Ayrshire Council

• North Ayrshire Council believes that mandatory targets for improved energy efficiency are an appropriate way to tackle both fuel poverty and climate change in Scotland;
• Setting national targets for energy efficiency would complement the existing targets for the eradication of fuel poverty, reduction in greenhouse gas emissions and production of renewable energy. Making the targets mandatory would both demonstrate commitment and ensure accountability;
• Any targets set by HEET must be set appropriately; they must take account of the powers and resources that would be needed to for those targets to be met;
• Targets could be differentiated to take account of different sectors of the domestic energy market: local authority rented, private sector rented, traditional housing and non-traditional housing. Without such differentiation, there would be a danger that ‘difficult’
properties and sectors would receive insufficient attention, leaving national targets to be met through easily attained improvements, risking the occupants of ‘difficult’ properties remaining in fuel poverty;

- Energy efficiency is not an end in itself, but a means to addressing other social and environmental problems. Any targets must be set within the context of the impacts they will have on these problems. HEET should be focussed on fuel poverty and climate change, but via the medium of energy efficiency.

5. Scottish Natural Heritage

- SNH strongly supports the target to reduce CO2 emissions by 60% by 2050, and believes that there remains significant scope to improve energy efficiency in the domestic sector, both to reduce the amount of energy used and to alleviate fuel poverty;
- Energy efficiency ratings of existing housing stock remains well below levels associated with current standards of energy efficiency for new housing;
- Energy efficiency and reduction of energy demand should take the highest priority in any strategy to reduce carbon emissions; such measures have little or no adverse impact upon the natural heritage, unlike other measures such as replacing fossil fuelled electricity generation with renewables;
- However, SNH questions whether targets should be enshrined in primary legislation, believing that this may make the targets inflexible, and may result in them being set at unambitious levels;
- Any targets should be set in the wider context of the UK’s shared framework for sustainable development, otherwise they may result in unforeseen conflicts with other sustainable development goals;
- Energy efficiency measures will be most effective is users are persuaded and given incentives to reduce their demand for energy. SNH cites the use of domestic tradable quotas as an example of such an approach, and suggest that the Scottish Executive looks at schemes of this type as a means of establishing economic drivers for further action on energy efficiency, rather than relying solely on energy efficiency targets.

6. Solid Fuel Association

- The use of mandatory targets could provide a useful incentive to both local authorities and individuals, if based on a clearly recognisable standard and the targets are realistic;
- However, the SFA feels that a target to raise the SAP rating of a home may be more appropriate than a percentage target;
- Any use of targets must go hand-in-hand with greater public investment and a publicity campaign, otherwise they may not result in the desired level of energy savings.
7. UK Timber Frame Association

- The UKTFA supports the principle of the Bill, but believes that it doesn’t go far enough;
- In particular, they feel that the Bill should also include consideration of the amounts of energy involved in the construction of buildings;
- Recent reports indicate that 50% of energy consumption and GHG emissions result from the construction and use of buildings;
- Scotland has a pre-eminence in timber frame building technology within the UK;
- The most energy efficient timber frame houses require only the waste heat from light bulbs to heat them throughout the winter;
- The implication is that buildings constructed using energy efficient timber frame techniques address both the fuel poverty and climate change issues of energy use.

8. A private individual

This respondent requested that their response be kept private. We are including this response in our analysis, but are not releasing the individual’s name to protect their privacy.

- Energy efficiency targets are useful for measuring progress, but (from a climate change point of view at least) priority should be given to targets for reducing carbon emissions;
- Energy efficiency targets in and of themselves suffer from some serious shortcomings: while energy use per household fell between 1970 and 2001 by 3%, total emissions in the domestic sector rose by 32% over the same period. This was due in large part to the increase in the number of households;
- Given that the UK has set an aspirational target for reducing greenhouse gas emissions by 60% by 2050, there should be a reduction in emissions from the domestic sector of at least this much;
- Domestic energy efficiency targets are appropriate, but they alone cannot achieve the carbon emissions reductions required to tackle climate change.

Summary

While agreeing that measures to improve home energy efficiency are required, there are differences in the approaches that various respondents feel are appropriate.

Some respondents favour a percentage based target, whereby the Scottish Executive would be obliged to deliver (for example) a 20% improvement in home energy efficiency by a certain date. This is the model adopted in the Housing Act passed by the Houses of Parliament in 2004.

Other parties feel that such an approach risks discriminating against councils that may have already invested in energy efficiency improvements; these
respondents believe that rather than a relative approach, an absolute target is more appropriate. This could include mandatory targets for NHER or SAP 3 of ratings.

Ultimately, all respondents agree that improving home energy efficiency is central to tackling fuel poverty and climate change; no one argued against the general principles of Shiona Baird’s Bill proposal.


2 http://www.scottishgreens.org.uk/site/id/4367/title/GREEN_BID_TO_END_FUEL_POVERTY_AND_SLASH_BILLS.html

3 Standard Assessment Procedure – the government’s recommended method of assessing home energy ratings