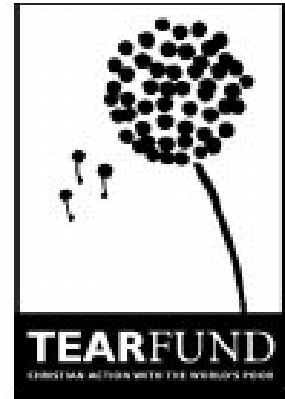


# UK Government's Energy Review report: The Energy Challenge, 11 July 2006

Tearfund response, 12 July 2006



The remit of the 2006 Energy Review was to examine the UK's progress against the medium and long-term 2003 Energy White Paper goals and consider options for further steps to achieve them. It aimed to put the UK in a position to meet the two major long-term challenges in UK energy policy:

- tackling climate change by reducing carbon dioxide emissions
- delivering secure, clean energy at affordable prices, as we move to increasing dependence on imported energy

Tearfund's interest in the Energy Review relates to the first of these challenges and the urgent need to put in place ambitious measures to meet the UK goal of cutting carbon emissions by 60% by 2050. Tearfund is pushing for serious action to tackle the cause of climate change because the consequences hit poor people the hardest. Climate change is already having a negative impact on the lives of poor people and will increasingly in the future.

**Tearfund initial response** (see below for outline of some of the key elements of the report)

- We welcome the government's commitment to energy efficiency and renewable energy in driving down carbon emissions, and thus support the measures in these areas outlined in the review (for example improving energy efficiency of electrical equipment).

However, we feel that a key chance for the UK to lead the way in developing a low-carbon economy via this route has been missed:

- The measures outlined in the review, even when added to previous commitments will still not deliver the reductions necessary to meet the governments own targets (they will deliver 19.5-25.3 million tonnes Carbon reduction, but the report itself states that 25-35MtC are needed).
- In addition, these measures include investing in new nuclear power stations and we believe it is un-necessary to facilitate new build nuclear while there remains a viable alternative in the form of further investment in energy efficiency, renewables and decentralisation including combined heat and power (CHP). Use of these alternatives can, and should be, maximised.
- In Tearfund's view using nuclear power to help combat climate change is currently a matter of choice rather than necessity, it is not the most effective way of tackling climate change.
  - o If we doubled the electricity generation from nuclear reactors (from 1/4 to 1/2 our electricity) we would only reduce greenhouse gas emissions by about 8%.
- We find it strange that the government is set on nuclear when many credible sources have concluded that other measures can meet the UK's energy needs and emissions targets – this includes the Government's own Sustainable Development Commission who's position is that *'there is no justification for bringing forward a new nuclear power programme at present'*

## Key elements of the report

- **Saving energy**
  - o Recognises that this is the starting point for reducing carbon emissions

- Proposes measures to provide individuals and companies with more information and clearer incentives to make better use of energy
- Specifically seeks to phase out the least efficient light bulbs and limit the amount of stand-by energy wasted on electrical equipment
- Puts in place measures towards making all new building developments carbon neutral
- Aims to make the central government estate of buildings carbon neutral by 2012
- **More energy efficient transport**
  - Commits to press the EU to include road transport and aviation in the EU Emissions Trading Scheme
  - No clear concrete targets beyond this commitment
- **Cleaner energy**
  - Recognises the value of generating energy efficiently near the point of use and that a ‘decentralised energy’ system based on this model could be significant in the long-term (using microgeneration and Combined Heat and Power (CHP) plants)
  - However, recognising many key issues surrounding a transition to this approach, an investigation will be commissioned into the potential of decentralised energy as a long-term alternative
- **Renewable electricity**
  - A range of measures are proposed to promote the growth of renewable energy – towards achieving the ‘20% of electricity coming from renewable sources by 2020’ target (The government committed to achieving this in 2003 (the Energy White Paper).
  - Includes strengthening the Renewables Obligation (RO) of energy providers – increasing the level to 20%.
- **Replacing nuclear power stations**
  - Concludes that new nuclear power stations would make a significant contribution to meeting our energy policy goals
  - Towards this:
    - Health and Safety Executive will develop guidance for potential promoters of new nuclear power stations
    - The report of the Committee on Radioactive Waste Management will provide the basis for a decision on the long-term management of waste
    - A proposed framework will be set out for considering the relevant issues and context in which planning inquiries should be held
- **Cleaning up fossil fuels**
  - Recognise the role of Carbon Capture and Storage (CCS) as an important technology in reducing emissions and therefore will continue to work with international partners on CCS to remove regulatory barriers

**Carbon emissions savings that will be achieved if measures are implemented:**

- In the last Energy White Paper the government said that in order to make real progress towards the 2050 carbon reduction goal, the UK needed to make a reduction in emissions of 15-25 MtC (million tonnes of carbon) by 2020 to bring the projected total to 110-120 MtC.
- Since 2003 emissions have risen, and in order to meet the target of 110-120 MtC by 2020, bigger cuts in emissions are needed – around 25-35MtC.
- The combined proposals from the Energy review and Climate Change Programme add up to 19.5-25.3 MtC savings by 2020

The full report can be found at: <http://www.dti.gov.uk/energy/review/>