



The cheapest energy is the
energy you don't use!

APSE Energy summit – Scotland 2019
Duncan McCombie 1 Oct 2019

Say YES to lower energy bills



We are at the end of the road and facing a cliff edge

Summary

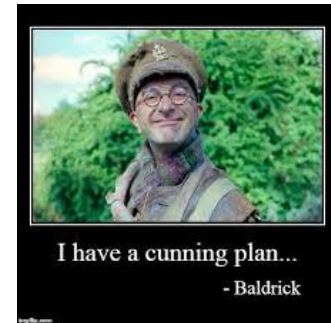


- Have you done all you can?
- Energy efficiency front and centre
- Energy efficiency in a Climate Emergency

Have we done all we can?



- Improvements in insulation, lighting and efficient appliances from 2004 meant energy bills in 2015 were £490 lower
- National funding: ECO £640m; WFP £1.94bn; WHD £140/person
- UK has some of the oldest and least energy efficient housing stock in Europe
 - 19m homes in the UK have poor levels of energy efficiency < C
 - Lower level properties, as we know, can kill due to the excess cold hazard they pose
 - 4.5m say they are struggling to pay their energy bills
 - There is a steady increase in renters
- Around 33 per cent of the UK's electricity comes from renewable sources, with renewable energy capacity up 10% at 43.2GW on a year earlier 2017.



EE front and centre

- Government's Clean Growth Strategy is an important step – but we need a plan to make it a reality
- Driving energy efficiency improvements to: home heating, insulation, lighting and appliances could reduce the energy consumed in UK households by a quarter ...
- ... about £270 off average household energy bill, or ...
- ... broadly equivalent to the output of six nuclear power stations the size of Hinkley Point C¹



- Customers don't tend to value future savings, especially of something invisible – gas and electricity
- Smart meters don't save you money, your action saves money

¹UKERC reports 2017

Climate emergency – to do list

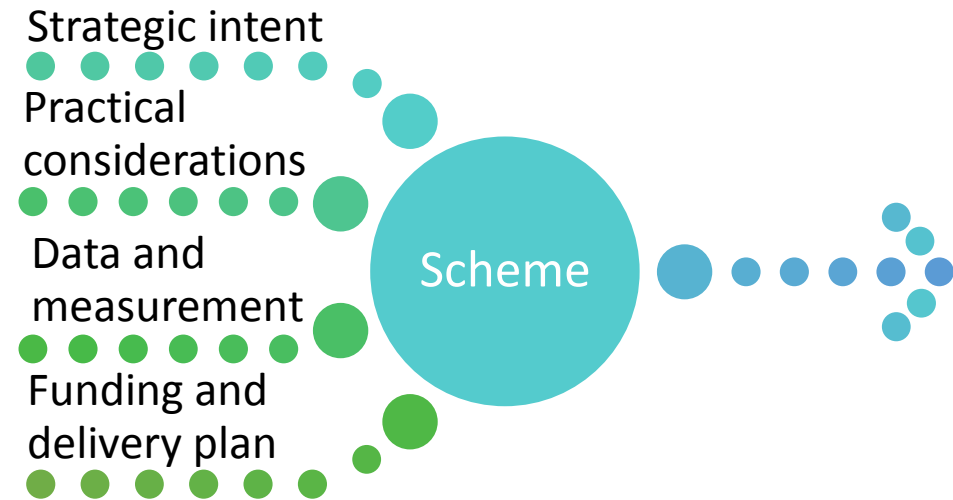


Strategic intent – what are you signed up to? What supported the aspiration? Is it robust and well documented? Can it be delivered? Horizon scan? Many threads interconnected.

Practical considerations – are the gas and electricity networks able to support your ambition? Do your local populations buy-in to the strategy – do to or do with?

Data, data, data – what is your starting point? What does success look like? How will you measure progress?

Funding and delivery – if you have got the plan, milestones, staff and agreement then it is time to crack on



To do list - partnerships

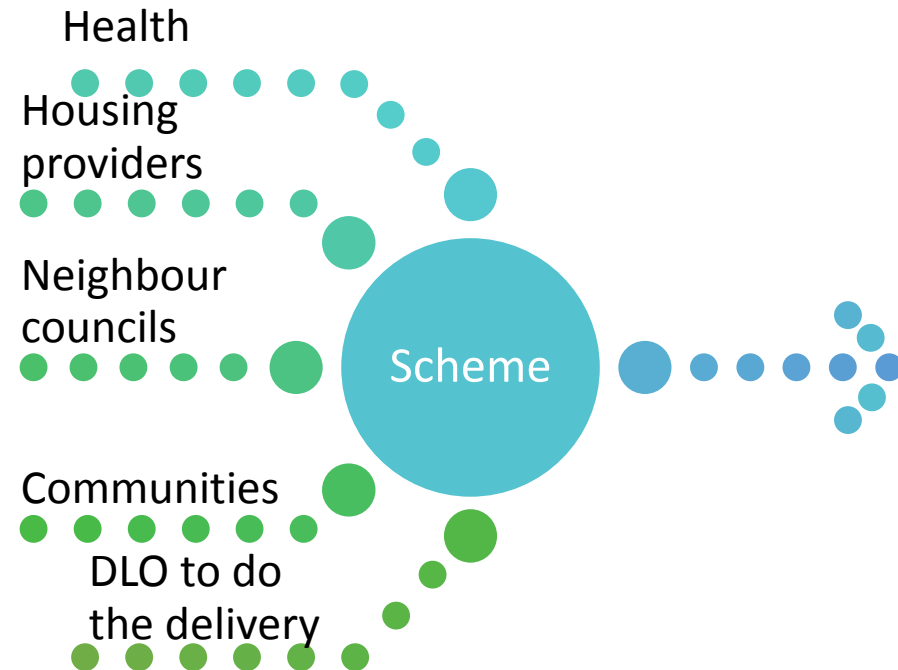
Health - potential funding, deliver greater social value/benefit, access data

Housing associations and private sector landlords - to highlight and maximise ECO opportunities

Neighbouring Councils – consolidate approach, share resources, economies of scale, access funding

Communities – to support data collection, engagement and delivery

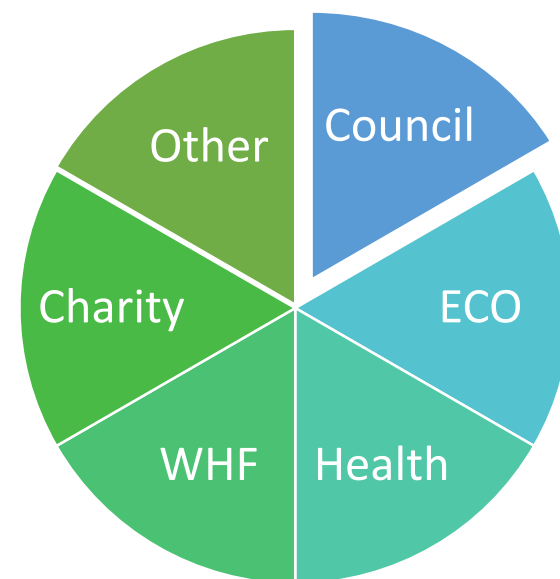
DLO – can you commercialise the approach and do the delivery?



Blending funding



- There is a need to work with others
- Local authorities need to start thinking creatively about how they implement energy efficiency schemes through a blended funding approach.



Convincing HM Treasury



- Strict HM Treasury guidelines for policy appraisal are met for investing in efficient heating, insulation, controls, lighting and appliances
- They could deliver a net benefit to the UK economy of £7.5 billion.
- The full economic benefits of reducing energy demand by a quarter could be up to £47 billion, made up of:
 - economic benefits of improved health from warmer homes,
 - stimulus to the economy of installing the energy efficiency improvements required,
 - and capacity saved in the electricity system
- Social value - monetising health improvements



HM Treasury

Over the horizon



- Coordination to decarbonise UK homes by 2035
- Stamp duty rebates for A&B?
- Green mortgages – lower risk to lender and lower opex costs for householder²
- Area based approach with local authorities working street by street to insulate homes – ECO4?
- Use of infrastructure funds (keeping impact on energy bills minimal)
- Access to the £120bn infrastructure capital spending budget

- We care about the roads and railways we travel on, but not nearly as much as the homes we live in.



² <http://www.epcmortgage.org.uk/report>

Summary

- Highly efficient housing is a vision everyone can unite behind
- Now is the time to deliver that legacy for our future generations.
- It is technically possible to go further with energy efficiency in homes, delivering up to a 50% reduction, BUT ...



- ... incremental and sequential improvements add to the cost and reduce the efficacy of the measure.
- ... householders need to create the pull.
- ... area based approaches, or better still, community based approaches, deliver economies of scale and engagement.

Guiding your next steps



Say yes to YES



We are working with local authorities to develop effective energy saving schemes using ECO and other funding channels.

Supporting Environmental Health and Landlord licencing to deliver energy efficiency benefits

Continue to work with APSE to provide user friendly guidance and support



Multi award winning



Our proactive collaborations have been applauded by the wider industry.



Increasing energy efficiency while reducing CO₂ & alleviating fuel poverty

National Energy Efficiency Awards 2017&2018 *Funding Provider of the Year*
National Energy Efficiency Awards 2019 *Project management company of the Year*



Thank You

Any questions?

Energy Solutions
0800 880100
yesenergysolutions.co.uk

