

Russell Marsh, Head of Policy, Green Alliance

CHPA Conference talk
16 November 2006



Introduction

- Thanks to CHPA for asking me to speak
- What I plan to say:
 - Give you a Green Alliance take on energy
 - About Green Alliance and our work on energy and how CHP fits into it
 - Our views on the energy review
 - Our views on CHP's role in the energy market
 - Where we go next?

About Green Alliance

- Environmental think-tank (10 full time staff), focus on the politics and policy of the environment. Been around for about 25 years. Current Director is Stephen Hale, former advisor to Margaret Beckett when she was at Defra. First GA Director to come from government - usually the other way round!
- We have a long history of working on energy and climate policy. In the last few years have produced a number of reports making policy recommendations across a range of areas:
 - energy efficiency

**thinking, talking, acting
on the environment**

36 Buckingham Palace Road
London SW1W 0RE
T 020 7233 7433
F 020 7233 9033
ga@green-alliance.org.uk
www.green-alliance.org.uk

The Green Alliance Trust
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company limited by guarantee,
reg no.3037633

- emissions trading
- 2004 microgeneration manifesto – we feel this kick-started the debate
- decentralised energy (grid 2.0)
- housing
- over-arching energy policy *a new vision for energy* – our response to the energy review



- We are now starting to look in detail at the local government climate change agenda and making the case for low carbon heat (all of which should include looking at CHP)

Our response to the energy review

- Outcome was a political answer, and a lot of political capital was expended getting the answer. Answer not backed up by rigorous analysis or evidence.
 - Wrong answer to the right question
 - reality is that going to be difficult to deliver on a number of the commitments in the review: planning changes, statement of need (example)
- De-centralised energy was squeezed in at the last moment, thanks to hard lobbying from a number of organisations including GA.
 - not clear that processes put in train to take this

further will deliver a better outcome - Ofgem/DTI DE
consultation very little on heat



Combined Heat and Power

- As you will all know better than me, CHP is the cinderella of energy policy – but has yet to get to the ball (I've been working in energy policy for 10 years and it's potential still not recognised, I know others in the room have been pushing it for far longer)
- It is to us nonsensical that CHP was not given greater focus in the energy review.
 - One concern that review was looking at was: we are becoming too reliant on imported gas.
 - Government's answer was to go for new nuclear power stations completely ignoring the fact that only 30% of gas is used for electricity generation, with the majority being used for heating.
Surely the right answer to that question was to focus on how we use heat and the fuel used to supply it? The answer? CHP!

Looking Forward

- Have a small window – until the Spring when EWP expected to be published – to raise the profile of heat (low carbon) and get

the government to recognise that it is as important as electricity.

- It needs a place to live in government, currently falls between several departments.
- Recognise that there is not one answer, there isn't a one-size fits all technology. In some situations heat networks will be the answer, particularly in existing homes, in others stand-alone technologies, such as solar water heating, will be the answer, particularly in new-build where heating requirements can be reduced dramatically through the design and build process
- We at Green Alliance are exploring what we can do to raise the profile of heat in the energy policy debate and would welcome any suggestions from you as to where we should focus.



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