

For immediate release

CHP GIVEN CENTRAL ROLE IN NEW ROYAL COMMISSION REPORT

SUSTAINED AND VIGOUROUS ACTION NEEDED

Britain will not achieve its carbon reduction targets unless there is concerted and vigorous action across Government according to today's report for the Royal Commission on Environmental Pollution.

"This is an important message from the Royal Commission and one which needs to be taken seriously by Government."

Said David Green, Director of the Combined Heat and Power Association, in welcoming the report.

"CHP and other local power options are central to achieving the carbon reduction targets."

In its 87 Recommendations Royal Commission specifically calls on the Government to:

- Develop a comprehensive strategy for the supply of heat, not just electricity.
- Make active use of local energy crops and other renewable energy resources to meet local heat demand.
- Develop CHP plant to meet the needs of local heating markets.
- Promote a new approach to the use of local embedded generation in the UK.

The Royal Commission comments that Embedded Generation:

"represents a major strategic challenge for the National Grid Co plc, both technically and financially as well as for the distribution companies."

The report continues:

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“We did not see any signs that the company has yet appreciated the scale of the challenge or begun to take the steps needed to place itself in a position to respond to it.”

The Royal Commission recommends the Government should therefore take the lead in addressing these challenges.

David Green concludes:

“The Government have a unique opportunity to respond to the Royal Commission as the Utility Bill completes its passage through Parliament.

It is clear the Government wants to ensure a strong future for local generation. This should be enshrined in the Bill, not relegated to the Bill’s, non-statutory, explanatory notes.

If the Government is to keep on track with its manifesto commitment to a 20% cut in carbon emissions, then there is still time to ensure the Utility Bill creates the right incentives for distribution companies to welcome the growth of local generation.”

ENDS

1. CHP is the simultaneous generation of power and useful heat in a single efficient (typically 70 per cent and above) process which secures environmental benefits and thereby contributes to sustainability.
2. CHP currently operates on over 1,300 sites across the UK with a total installed capacity of 4,000MWe, supplying 15% of the UK's total industrial energy use.
3. Recognising CHP as *"a key element of the climate change strategy for business, domestic and public sectors"*, the Government have established a target of 10,000MWe of installed CHP capacity by 2010, but have acknowledged a cost-effective potential of 17,000MWe exists over the same time period.
4. Achievement of the 2010 CHP target would help reduce UK carbon emissions by a further 6MtC (million tonnes of carbon) - one fifth of the Government's 20% CO₂ reduction target.
5. For further information on the subject of this release, please contact:

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