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## **COMBINED HEAT AND POWER – DOES THE GOVERNMENT WANT TO DELIVER?**

The Government's long awaited Combined Heat and Power (CHP) strategy is a catalogue of missed opportunities, according to a response published (today) by the UK's Combined Heat and Power Association (CHPA).

Addressing the CHPA's Annual President's Reception (today), CHPA Chairman Keith Plowman says:

*"After industry has proposed a series of measures to get the UK back on track for the CHP target, we are all extremely disappointed to see that the final Strategy has completely ignored our practical recommendations."*

The Government's strategy confirms that it has recognised it is now significantly off-course in achieving its 10,000 MWe by 2010 CHP target, but sets out no new measures to secure its delivery. The Association's response highlights:

- The 2000 target of 5,000 MWe of CHP is yet to be achieved;
- 2002 saw the first fall in CHP capacity since a CHP target was established in 1991;
- 2,700 MWe of CHP that the DTI have consented over the past few years, are all on hold, or have been scrapped;
- Critically, all major CHP developers have now left the market – cutting investment in boosting the UK's competitiveness by over £1 billion.

In **May 1997**, the Government's manifesto stated:

*"We are committed to an energy policy designed to promote cleaner, more efficient use and production, including a new and strong drive to develop ... combined heat and power."*

In **June 1997**, the Government's CHP Minister said the Government would sit down with the industry to plan a strategy for growth.

In **October 2000**, in the complete absence of any such strategy, the CHPA launched its own national consultation about what should be in a UK CHP strategy.

In **June 2001**, the CHPA released its finalised strategy.

In 2001 the Government's Manifesto committed it to:

*“by 2010...a doubling of Combined Heat and Power”*

setting CHP as the only UK energy technology with a specific growth target.

In **February 2003**, the Energy White Paper said:

*“We remain committed to a target of 10 GWe of Good Quality CHP capacity being installed by 2010.”*

CHPA Chairman Keith Plowman concludes:

*“The CHP target for 2000 of 5 GWe has still not been met and coupled with the fact that the UK's CHP capacity went into reverse in 2002, we have yet to see the confidence building measures from the Government that are urgently needed.”*

**ENDS**

#### **Notes to Editors**

The CHP industry has urged the Government to:

- Ensure CHP, as a low-carbon technology, is **positively promoted** under the EU Emissions Trading Scheme;
- **Exempt CHP** based electricity exports from the cost base of the Renewables Obligation;
- **Fulfil its promise** to introduce a CHP commitment with arrangements similar to those for renewables under the Governments Renewables Obligation;
- **Justify** why new power plants are not high-efficiency CHP by delivering the robust tilting of power station consents outlined in 2000;
- **Secure long-term investment** in District Energy schemes;
- **Tackle** the adverse impacts created by the introduction of the New Electricity Trading Arrangements (NETA);
- **Enable** more consumers and communities to have the option of getting their energy from CHP.

The CHPA's briefing paper is available on the website [www.chpa.co.uk](http://www.chpa.co.uk).

The Association's response to the Government's CHP Strategy was released at the President's Reception at the House of Lords, Thursday 10 June with leading industry, government and other guests.

For further information:

David Green, Director  
Syed Ahmed, Head of Research

020 7828 4077  
020 7828 4077