

CHPA PRESS RELEASE

Tuesday 28 March 2006

For Immediate Release

NEW CLIMATE CHANGE PROGRAMME FAILS TO RECOGNISE CHP

Further demonstrates lack of joined-up Government

The Government has once again failed to introduce any new measures to incentivise new Combined Heat and Power (CHP) schemes in the revised UK Climate Change Programme, launched today, even though CHP is recognised as one of the most cost-effective single carbon reduction measures.

CHPA Director Phil Piddington comments:

“Today’s Climate Change Programme Review presents yet another missed opportunity by the Government to kick-start the CHP industry.

“CHP has the potential to make significant contributions towards the Government’s target of a 20% reduction in CO₂ emissions by 2010 - a target which the Government has now revealed that it has little chance in achieving - yet all options to boost the CHP industry have been ignored.

“Due to market conditions largely created by the Government and the energy regulator, there are now no new major CHP schemes either planned or under development. With no specific measures for CHP announced today, this situation is unlikely to change”.

“It is also difficult to understand the lack of support for CHP at a time when the Government continues to express grave concern over the UK’s increasing dependence on imported natural gas, as well as rising fuel poverty, all of which CHP helps tackle. This clearly demonstrates the lack of joined-up Government at a time when energy is a priority for the UK!”

ENDS

Notes to Editors:

1. Combined Heat and Power (CHP) is the simultaneous generation of electricity and useful heat in a combined, highly efficient process. The Government's target is to double UK CHP capacity to 10,000 MW by 2010.
2. CHP is a form of decentralised energy system ie generation technologies, which provide power, heat (or cooling) at the point of use. These range from microgeneration technologies operating in individual homes to community based systems such as those operating in Southampton or indeed large industrial CHP schemes powering over 200 industrial schemes in the UK at present.
3. The Government's latest statistics show that every 1 MW of CHP operating in the UK helps reduce carbon emissions by between 600 – 800 tonnes every year. Current installed CHP capacity of approximately 5,700 MW, on over 1,500 sites across the UK, is already helping deliver savings of over four million tonnes of carbon annually, one of the largest single carbon reduction measures in the Government's Climate Change Programme.

For further information contact:

Phillip Piddington, Director, CHPA 020 7828 4077

Syed Ahmed, Head of Research, CHPA 020 7802 0184