

CHPA PRESS RELEASE

Tuesday 28 March 2006

For Immediate Release

U-TURN BY GOVERNMENT ELIMINATES SUPPORT FOR COMMUNITY HEATING SECTOR

Huge Blow to CHP and district heating industry as second Community Energy Programme funding is cut

The Government has today announced, in its revised Climate Change Programme report, that the sole funding programme for the development of public sector community heating schemes - Defra's *Community Energy Programme (CEP)* - has been withdrawn. This is despite the Government previously announcing over 15 months ago that it had allocated an additional £10 million to continue the programme.

The Community Energy Programme delivers decentralised energy schemes and heat networks to reduce energy bills, tackle fuel poverty, reduce carbon emissions, and support the growth of Combined Heat and Power (CHP) schemes.

CHPA Director Phil Piddington comments:

"We are deeply disappointed to see that the significant community heating potential built up in the first round of the Community Energy Programme will now not be realised. The CHP and district heating industry cannot understand why the Government would undertake such a u-turn on a programme that is successfully delivering low-carbon heat and power to communities.

"The Energy Saving Trust have identified that projects supported to date by the Programme have helped save more than 25,000 tonnes of carbon every year whilst also assisting nearly 60,000 people on low incomes. Community heating provides a powerful opportunity to help tackle the problems of fuel poverty.

"It is thus highly confusing that at a time when we are experiencing a rapid rise in the number of people falling into fuel poverty, the Government has decided to eliminate support for this Programme."

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Notes:

1. The Community Energy Programme has already provided, via both capital grants and grants for feasibility studies, low-cost heat and power solutions for nearly 200 public sector schemes, and has built up a portfolio of potential projects worth a total of £200 million.
2. The Government announced a further £10 million would be allocated to fund a second phase of the Community Energy Programme on 8 December 2004. See further details on Defra press release *Five Year Strategy – Promoting Energy Efficiency*. The release announced that:

Margaret Beckett, Secretary of State for Environment, Food and Rural Affairs, said: "This strategy spells out how we intend to make a step change in energy efficiency and successfully deliver the transition to a low carbon economy. In doing this, fuel bills will also be reduced.

"It will be vital for everyone to play their part and to work effectively together to sustain the move to an energy efficient economy. Government will play a leading role but we need the support and active participation of the public - from individual citizens, to businesses, NGO's and the wider public sector.

"Energy efficiency is a win-win: tackling climate change while keeping fuel bills down."

High on the list of priorities are:

Continuing the £50m Community Energy Programme, which delivers heat networks to reduce energy bills, tackle fuel poverty, reduce carbon emissions, support CHP, and build modern urban infrastructure. The programme will continue for at least the next three years, to March 2008, with additional funding of £10m available once the original allocation of £50m is exhausted. "

Full press release available here:

<http://www.defra.gov.uk/news/2004/041208c.htm>

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