

Speech by Malcolm Wicks, Energy Minister

1. I am very pleased to be able to contribute, as we work towards a new Energy White Paper, to this very important discussion on the role regions and localities can play in our move to becoming a low carbon energy economy.
2. The conclusions of the review which we published in July made it clear that there is a role for everyone to play if we are to be successful.
3. At the Labour Party conference last month, the Prime minister talked of the need for the most radical overhaul of energy policy since the War:
 - a five fold increase in renewable energy;
 - greater business responsibility for emissions;
 - a step change in investment in clean technologies;
 - big improvements in domestic energy efficiency.
4. All of which are part of our plans to tackle the two major long-term challenges facing us: climate change and energy security.
5. It is impossible to underestimate the importance of these challenges.
6. Lets look at some of the figures. Today concentrations of Carbon Dioxide in the atmosphere are higher than at anytime in the last 800,000 years. In less than 200 years human activity has increased greenhouse gas levels by 50% compared to pre-industrial levels. In the

UK £200bn of assets and 1.8m people are in areas which will be flooded if sea levels rise.

7. By 2010, imports could be meeting up to 40% of the UK's total gas demand, rising to around 80% by 2020. Europe will be importing over 90% of its oil and 80% of its gas needs by 2030.
8. National Government must play the leading role in tackling these challenges by ensuring our policies facilitate change and delivery. The review launched a major programme of work covering the full spectrum of issues and we are now in the middle of a number of consultations.
9. But these challenges are so great that national government cannot tackle them unless:
 - Individuals recognise and take action to reduce the energy they use - with incentives from national government, energy suppliers and others;
 - Businesses recognise that reducing emissions is a board-level issue, and innovate to provide solutions for themselves and others;
 - Local and regional bodies recognise the implications for their own communities; and use the unique opportunities they have to reduce emissions.
10. You have already heard about some of the steps the Devolved Administrations are taking. I am keen that local and regional government in England also responds to these challenges, which we all ultimately share.

Energy Efficiency

11. Let me start with Energy Efficiency. Cutting energy demand is an ambitious aim; no major country has been able to grow its economy whilst delivering a sustained reduction in energy consumption.
12. None the less the package of measures within the review are designed to remove the barriers to all of us, Government, business and individuals, becoming more energy efficient:
 - Giving people real, accurate information about their energy use, how to lower it and save themselves money at the same time.
 - Phasing out inefficient consumer goods.
 - Radical new ideas to give energy supply companies incentives to reduce demand and therefore emissions from the home.
 - Proposals for a new Energy Performance Commitment, which will target emissions from large organisations such as supermarkets and hotels.
13. The success of efforts to drive energy efficiency depends on awareness and behaviour: awareness of the amount of energy used and willingness to take action to reduce it.
14. Local and regional government, though their direct access to individuals and businesses, has a critical role here.
15. Many local authorities already work closely with Energy Suppliers to encourage take up by households

of energy efficiency measures offered under the Energy Efficiency Commitment. They are simply better placed to approach individuals and communities, and arguably more trusted.

16. And, working closely with organisations like the Carbon Trust, regional development agencies are well placed to help us assist businesses in identifying and taking up opportunities for energy savings - particularly smaller businesses, which make up 99% of all businesses in the UK.

Distributed Generation

17. In the longer term, local and regional government also has a key role in helping to ensure the delivery of low carbon residential and business development.
18. The energy review set out the government's long-term ambition of carbon neutral development in England and Wales.
19. Carbon neutral development will require a tightening of national building standards. The revisions we recently announced to Part L of the building regulations represent a step change in the energy efficiency standards for new buildings. We are committed to setting out clearly for developers how these standards will ramp up into the future.
20. But carbon neutrality in the longer term will also increasingly require the increased use of renewable and other low carbon forms of energy; both on and off-site.
21. The energy review recognised a real potential to create a clean, efficient and diverse 'distributed' energy

system producing heat or electricity on a small scale and used at a local level.

22. Local Authorities like Woking, Southampton and Merton are already trailblazers in promoting the take up of microgeneration, district heating and other forms of distributed energy systems.

23. As you know we already have a microgeneration strategy and a CHP strategy, but we want to do more. There are many barriers to having more local generation of electricity, barriers we want to address.

24. Barriers such as the difficulties of a small electricity generators trying to connect to the networks. As well as issues around licensing, technical standards and the difficulty of securing a fair price for exporting surplus electricity to the grid.

25. This is why in the energy review conclusions we said we will be undertaking a review, with Ofgem, of the issues around distributed generation. We will shortly be seeking input from all interested parties on how to address these issues.

26. We are keen to maximise responses from local and regional government, and their partners, on what role they could play as part of a national approach to promote the uptake of innovative distributed energy systems.

Transport

27. If we are to meet our energy policy and climate change goals we are also clear in the review that we need to tackle transport – at a national, regional and local level.

28. Transport accounts for around 25% of UK carbon emissions. To bring this down we announce in the review our aim to increase the level of the Renewable Transport Fuel Obligation above 5% after 2010/11 and develop strong successor arrangements to the current voluntary agreements on new car fuel efficiency.
29. The carbon savings from these measures alone will be around 2-3 million tonnes, the equivalent of taking 2-3 million cars off the road.
30. But the planning system, local transport policies and work locally and regionally to raise awareness in communities and businesses, has a key role in encouraging smarter transport choices:
- influencing the siting of developments;
 - improving use and access to public transport;
 - providing facilities for walking and cycling.

Planning

31. The energy review was clear that that planning must recognise and support the development of infrastructure we will need to meet our national and international energy and climate change goals – including renewables and other forms of low carbon generation.
32. Timely delivery of the right infrastructure is also key to secure supplies and managing the risks of depending on imported energy.
33. Planning is an important opportunity to promote low carbon, sustainable development; as part of a package

of measures moving towards carbon neutrality. A key part of this is to give certainty to developers about the overall direction of travel of Government policy so they can invest in low carbon development with confidence.

34. Later this year, government will launch a consultation on a new Climate Change Planning Policy Statement. This will set out more clearly how the planning system can be used to promote low carbon development.
35. It will also set out how planners should take into account the need for key energy infrastructure built to meet our national energy policy goals.

Conclusions

36. In short, global, national, regional and local action will all be needed across a wide range of areas if the review's conclusions are to be delivered.
37. The Energy White Paper we plan to in 2007 will make this clear - and set out how we will work with local and regional government on key issues.
38. We are already working closely together:
 - through the advice and support organisations like Carbon Trust and Energy Savings Trust offer Local Authorities;
 - through the work my own department has been leading to encourage the development of strategic approaches to energy in the English Regions.
39. The next year should represent further opportunities to strengthen this relationship.

40. We have already committed to provide incentives for more local authorities to reach the levels of the best through the local government performance framework. The forthcoming Local Government White Paper should reiterate the important role local government has in tackling climate change.
41. We are also working closely with Regional Development Agencies to ensure the action they will take in support of energy policy goals, consistent with their remit for regional economic development, is properly reflected in the new Energy White Paper.
42. By working together we will a better position to meet our long-term challenges with positive action; in a way that meets the needs of different regions and localities.
43. We have drawn the road map for this country genuinely becoming a low carbon economy with secure and affordable energy. It is now for all of us – at national, regional and local level - to take the journey.

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