WWF's critique of the government's Energy White Paper

The Energy White Paper recently released by the UK government was due to outline its vision and a clear framework for the development of the energy sector over the next few decades. While the vision is there, the framework to ensure that it becomes a reality is sadly missing. For the excellent ambitions of the government to be met, the White Paper should have made clear the incentives for business and the public to bring about such changes.

On the positive front, the White Paper recognises that climate change needs to be addressed and that the energy sector is crucial in such an endeavour. The Government's stated ambition to reduce carbon dioxide emissions by 60 per cent by 2050 is a great step forward – not just for the UK but also in terms of setting the precedent among the international community for longer term, challenging targets for addressing climate change. It's ambitions to generate 20 per cent of electricity from renewables by 2020 are also to be congratulated. And, instead of promoting investment in new nuclear energy plans, the paper outlines that energy efficiency, renewable energy and CHP (Combined Heat and Power) form the foundations of the low carbon economy.

The White Paper fails in three ways to ensure that its vision for a lower carbon economy will be met:

First, the government fails to commit itself to any mandatory targets. Instead, it only states that it has "ambitions" regarding CO2 emissions reductions.

Second, the White Paper postpones many decisions necessary for defining a clear framework for increasing the use of renewable energy and CHP in the economy.

To stimulate growth in RE (renewable energy) it is necessary to develop policies that will allow larger investment in renewable energy projects. At the moment, RE provides only three per cent of electricity in the UK. The government states that by 2020, 20 per cent of electricity should come from renewables and that by 2050, "we are likely to need renewables" contributing between 30 per cent and 40 per cent of UK energy. How this will be achieved, however, is unclear. Is it possible that such a target can be achieved with only existing policies, namely the Renewables Obligations, the exemption of renewable energy from the Climate Change Levy, and "maintaining a healthy research base"? What are the incentives for businesses to invest in renewable energy?

While there will be £60 million new money for renewable projects over the next four years this is insufficient.

The White Paper recognises that planning is one of the main obstacles faced by renewable energy developments and states that planning needs to be streamlined and simplified. It reiterates the Government's existing activity in this area - new planning guidance on renewables is soon to be published and the devolved administrations have been encouraged to develop a new, more proactive approach at the regional level. Whether these measures have the necessary impact will need to be closely monitored.

One factor currently hindering the development of RE is that the existing electricity distribution networks are designed for one-way transmission from large power stations to consumers. This system needs to be adapted to renewables. The Paper recognises this problem but the only initiative in this field is one of postponing any decision. The White Paper states that together with OFGEM, the gas and electricity regulator, it will take steps to improve access by renewable generators to the electricity network. But this leaves some key questions unanswered. What exactly are these steps? How much more access to the electricity grid will renewable generators have? How much investment is planned in physical infrastructure? Will the current charging and cost structures of the network be altered? How will the problems of NETA (New Electricity Trading Agreements) be addressed?

Although recognising the importance of CHP, and reaffirming the 10Gwe(Giga Watts electricity) 2010 target , the White Paper provides little new policy to assist the development of CHP – other than promises to review a number of problem areas. This seems weak considering that the capacity of operating CHP plants in the UK has actually fallen during the last two years, rather than increased.

Third, although the White Paper highlights energy efficiency as an important way of achieving emission reductions, it sets up no targets, and merely states that reductions of 10-12 MtC (million tonnes of carbon) annually *could* be achieved by 2020.

The policy proposals to promote energy efficiency are insufficient. The Energy Review of the government's Performance and Innovation Unit (PIU) listed eight different categories of barriers to domestic energy efficiency. The current white paper, however, fails to specify how it will address such barriers.

WWF is concerned that since the government has not ruled out nuclear energy in the future and there are insufficient provisions to ensure that energy efficiency and renewable energy can provide the necessary energy for Britain, there may be investment in nuclear energy in the future.

WWF'S WORK ON SUSTAINABLE ENERGY

WWF will work to ensure that the government targets are met. This requires continuing our current work, such as the campaign for one million sustainable homes by 2012, and an international initiative aimed at reducing carbon emissions from the power sector.

We will lobby the government and develop partnerships with various stakeholders to increase the percentage of electricity that is generated from renewable energy sources, such as onshore and offshore wind, biomass, solar, small hydro, wave and tidal, landfill and sewage gas.

We also support carbon trading, as a means of achieving CO2 emission reductions at the lowest cost for the economy as a whole. In this context, we will thus also participate in all initiatives in this matter, and in particular in the harmonisation of the UK Emissions Trading System with the new EU Emission trading directive.

WWF will also lobby the government for new policies on energy efficiency. This will include supporting the recommendations of the PIU Energy Review and developing a Strategy for

Home Energy Efficiency that sets out a clear, long-term framework for delivering sequential energy efficiency improvement targets of 20 per cent by 2010 and a further 20 per cent by 2020.