

BCSC Response to the UK Renewable Energy Strategy: Consultation Document

Key issues for BCSC

The Renewable Energy Strategy consultation paper is a wide ranging document covering a number of complex issues. This response is limited to those issues that could have an impact on the retail property industry and responds directly to those questions in the document felt of relevance by BCSC.

BCSC supports a strategy which:

- Creates flexibility in approach and allows major retail developments to be adaptive in their provision of renewable and low-carbon energy;
- Aligns to national planning policy with respect to climate change; and
- Seeks to proactively stimulate and support the market to deliver the right solutions for the right situation.

This document highlights those sections of the consultation paper that directly affect the retail property industry; stating the questions posed in the paper and the response from BCSC.

Chapter 1

Q1: How might we design policies to meet the 2020 renewable energy target that give enough certainty to business but allow flexibility to change the level of ambition for a sector or the level of financial incentive as new information emerges?

Response:

BCSC believes it is vital that energy is conserved and managed as efficiently as possible, in addition that renewable and cleaner sources of energy are considered and deployed wherever possible.

In designing a policy which will enable the UK to meet its proposed 2020 target it is paramount that the right frameworks are developed which are sector focused, flexible and not bound by a 'one size fits all' approach, an unhelpful feature of some of the current schemes. Moreover, that they are informed with practical thinking and sound research.

This is felt with some of the existing policies, for example the 'Merton Rule', where it is fine in its intent i.e. to stimulate the inclusion of renewables in developments, but is lacking and restrictive in its application and in certain circumstances introduces an element of risk in enabling developments to move forward. The introduction of policies designed similar to that of the Merton Rule would not give business or our member's confidence, or the flexibility to work towards meeting the 2020 target.

BCSC would suggest that policies should be designed in such a way which enables business to invest flexibly in renewables, and avoid the 'onsite-at-all-cost' approach, which in the many cases is not the most carbon efficient solution. By allowing organisations to invest in off-site schemes and credit them to their developments would provide a much needed avenue of options to enable organisations select the most carbon efficient options for their developments whilst proactively contributing toward the 2020 target. In addition, the right financial incentives need to be built into such policies which are properly sustained and managed to allow sufficient time for organisations to fully utilise them. By providing such frameworks it is more likely to give business and our membership more confidence to make the required long term investments.

Chapter 2

Q3: In the light of the EU renewable energy target, where should we focus further action on energy efficiency and what, if any, additional policies or measures would deliver the most cost-effective savings?

Response:

BCSC fully supports the use of renewable and cleaner sources of energy where practicable. However, where energy is being consumed, it should be done as efficiently as possible, thereby reducing unnecessary consumption and subsequent carbon emissions and cost. The view of BCSC directly reflects the Government's position outlined in the document i.e. "Using every unit of energy as efficiently as possible has to be our ultimate ambition" and that "saving energy is key to our long term energy challenges".

The consultation paper clearly sets out the provision for bigger businesses and outlines the policy frameworks and mechanisms in place or those due to be introduced to enable business to respond. However, it was not clear how the Government plans to engage with SMEs in frameworks designed to assist them in achieving greater energy efficiencies. It was also unclear how any measures introduced as a result of this consultation would link to those already in place for example the UK and EU Emissions Trading Scheme. BCSC would like to see an equally strong focus on the needs of SMEs as big business in order that the breath of our member base is represented to be given the same opportunities to improve their energy efficiency.

It is noted that the Government will be consulting on energy efficiency and the Carbon Reduction Commitment (CRC) later this year and the BCSC welcomes this and looks forward to being consulted in the coming months.

Q9: What more could the Government or other parties do to reduce supply chain constraints on new renewables deployment?

Response:

While the consultation paper focuses much of its attention on supply chain issues/constraints associated with delivering the required nationwide

renewable technology stock, it does not appear to take into consideration the constraints at the local level and whether there are any similarities. Moreover, the Government needs to be explicit in setting out exactly how it proposes to assist in dealing with, or providing for, some of these constraints, and who it perceives to be its partners are in doing so; as the paper does not make this clear.

Of particular concern to BCSC are the operations and maintenance supply chains. If investments are to be made in such renewable technologies (particularly at the site level) the supply chains required to support them must be fit for purpose. If they are not this could result in increased cost burdens and uncertainty of supply. Therefore, BCSC believes that more research is required to better understand these implications across the range of renewable technologies and their associated markets.

Chapter 5

Q22: Do you agree with the Government's current position that it should not introduce statutory targets for microgeneration at this stage in its development?

Response:

BCSC agrees with the Government's current position that having binding targets for the deployment of microgeneration renewables offers little discernible benefit in enticing markets and business alike into introducing them.

It is widely accepted that microgeneration technologies, in their current state, are not, on their own, an efficient solution for delivering an acceptable level of renewable energy for the majority of build types including retail developments; and that only larger scale solutions, often off-site, offer the most tangible benefits.

Moreover, it is felt that current mechanisms such as Building Regulations are already driving tangible shifts toward carbon reduction in the built environment, via improved design practice. Therefore, at this juncture the value of additional targets at the local level is questionable.

Chapter 8

Q37: Are there barriers to the development of renewable and associated technologies that are not addressed by current or proposed support mechanisms?

Response:

There appears not to be a clear timetable in place for when the Government expects new technologies to come online, nor exactly how much investment is

available for the development of renewable technologies. This lack of clarity and information could present an unnecessary barrier to the wider market in stimulating further development. Therefore BCSC suggests that the Government undertakes a targeted communications exercise with different business sectors to establish the actual status of these new technologies, setting when they are likely to be viable for use and their applicability. This will allow organisations such as BCSC to inform our members of developments and potential opportunities for switching to renewable and cleaner forms of energy.

Chapter 9

Q38: What more could the Government or other parties do to ensure that the UK secures the maximum business and employment benefits from the EU renewable energy target?

Response:

BCSC understands that new markets are difficult to predict, and the business and employment benefits within them even more so. However, we feel that the consultation document does not go far enough in articulating exactly how the ideas and approaches to maximise the benefits from renewable energy outlined in the paper will be realised.

As a consequence, these proposals do imbue BCSC with the confidence that the renewables market will be in a position to deliver the 2020 target. This is particularly the case with regards to labour force skills and the sizeable gap which currently exists between what exists and what is required. The paper does not provide any clarity as to how this gap will be addressed other than stating that the government is working with stakeholders to develop a framework to meet these needs.

BCSC suggests that the Government provides more clarity in this particular area as it is fundamental to the successful deployment of technologies to secure maximum business benefits.

Chapter 11

Q40: What more could the Government or other parties do to ensure the UK meets the EU renewable energy target?

Response:

BCSC recognises that the 2020 target is an ambitious one and that delivering its objectives will be challenging. However, we also recognise that the Government needs to improve the way in which it works and communicates with businesses of all sizes which is essential to ensure that the target is met successfully. One area where this is clearly illustrated and which needs addressing in the short term is the better provision of clearer, more consistent

and more easily accessible information on renewables, which will allow for informed decision making.

It is our view that there is still not enough practical information available currently to enable our members to get to grips with the emerging technologies and the issues of implementation surrounding them. Furthermore, the Government should be engaging more readily with trade bodies and representational organisations such as BCSC to better understand the economic 'landscape' within different trade sectors to assist them in taking practical steps towards contributing to the 2020 target. It is not enough to simply leave engagement 'interfaces' to local and devolved Government as in some instances they are not always equipped to deal with such interfaces. BCSC would very much welcome the opportunity to work with Government to understand how an improved working relationship could be established.

Q41: Do you agree with our overall approach to developing a UK Renewable Energy Strategy?

Response:

BCSC agrees, in principle, with the approach taken to developing the strategy with the major 'building blocks' having been laid out in the paper. However, as mentioned in the above response, information and communication are key to ensuring fully informed decision making – this is critical if stable and sustained industry investment is to be achieved.