

Microgeneration Strategy & Low Carbon Buildings Programme

Energy Technologies in New Developments

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Why is Microgeneration important?

- Contributes to all 4 energy policy goals
 - Reduces carbon emissions
 - Improves security of supply
 - Alleviates fuel poverty
 - Improves competitiveness of electricity markets

Existing Support

- Clear Skies, major PV demonstration prog
- Easier to claim ROCs
- 5% VAT levels across technologies
- PPS 22 amended
- 50% uplift for microCHP in EEC2

So why a strategy?

- Potential benefits still not being realised
- Microgeneration not achieved 'mainstream' status
- Government support exists but not joined-up
- Need co-ordinated effort to provide kick-start for demand and supply
- Working in partnership

Legal Basis

- Energy Act requires a strategy for the promotion of microgeneration in Britain
- Microgeneration defined –
 - < 50kW electricity or <45kW heat
 - Low carbon source
- Completed by April 2006

Aim of Strategy

- Roadmap – plotting a path to the future
- Coherence across Government
- Clarifying position in overall energy policy

Consultation

- Consultation document launched in June
- Looks at –
 - *Product development and deployment*
 - *Communications*
 - *Economics*
 - *Planning/Building Regs*
 - *Low Carbon Buildings Programme*
 - *Physical Infrastructure*

Objectives of LCBP

- Holistic approach to reducing carbon emissions from buildings
- Support for demonstration projects – focus on larger projects
- Cost reduction in technologies over lifetime of programme
- Raising awareness – skills development and project replication

Key Features of Programme

- 6 year programme
- 2 streams of funding:
 - Stream 1 – small scale and community projects
 - Stream 2 – larger scale developments
- Capital grants from DTI for installation of renewable energy technologies
- Dedicated technical advisors for stream 2 projects
- Full details to be developed as a result of consultation

Next Steps

- Consultation closed on 23rd Sept
- Study on microgeneration to be completed by end Sept
- Details of strategy and LCBP to be developed
- Possible short, targeted further consultations
- Aim to publish strategy and launch LCBP in April 06