

# BRIEFING



23 May 2007

## ENERGY WHITE PAPER – MEETING THE ENERGY CHALLENGE

The Secretary of State for Trade and Industry, Alistair Darling, has today published a major White Paper on future UK energy policy. The full document can be downloaded via the link below.

<http://www.gnn.gov.uk/environment/fulldetail.asp?NewsAreaID=360&ReleaseID=286369>

Although the White Paper does not deal specifically with housing as a headline topic, housing issues are raised at a number of points in relation to achieving the major policy objectives of energy efficiency and a national low carbon energy supply.

The policy measures proposed will be important for home builders because they deal with future arrangements for the promotion of various forms of low and zero carbon energy supply that will be needed to achieve the proposed zero carbon building performance standard in 2016.

Key strands of policy in this respect are:

- **Biomass:** alongside the White Paper the Government is publishing a *Biomass Strategy*, which aims to expand the supply and use of energy from this renewable fuel source. This document can be accessed via the link below.

<http://www.gnn.gov.uk/imagelibrary/detail.asp?MediaDetailsID=203174>

- **Distributed electricity generation:** also published today are the results of the joint Ofgem-DTI review of distributed electricity generation – which has looked at the barriers to such generation. The Government says that based on this review it is taking forward a number of proposals and measures to assist the more widespread deployment of distributed electricity and heat generation. These measures include more flexible market and licensing arrangements for such supply and greater clarity on the terms offered for export of excess distributed generation back to the national grid. The review results can be accessed via the following link.

<http://www.gnn.gov.uk/imagelibrary/detail.asp?MediaDetailsID=203190>

- **Renewables Obligation:** the White Paper confirms the Government's intention to strengthen the Renewables Obligation with a view to seeing supplies from renewable sources tripling between now and 2015 to around 15% of total electricity supplied. Part of this policy will be to introduce banding of the Obligation to offer differentiated levels of support to different renewable technologies.

HBF will seek to establish whether collectively these measures and proposals will provide a sufficient and coherent basis on which the industry can plan to achieve a zero carbon homes standard and will pursue any issues via the 2016 Task Force of which the DTI Energy Review team are members.

In addition to the above proposals the White Paper will probably attract most public attention for launching a consultation on whether it is in the public interest to allow the private sector to invest in new nuclear power stations.

#### Other housing-related statements

Other policy statements on housing issues largely confirm previous proposals. The following are of note:

1. Proposals are being considered which would require all new homes from April 2008 to have a rating against the Code for Sustainable Homes. Specific proposals will be consulted on by the end of 2007. Comment: already envisaged under the *Building a Greener Future* consultation.
2. It will now be a condition of Government funding that “all new homes built by registered social landlords and other developers and all new homes developed by English Partnerships will comply with Rating 3 of the Code.” Comment: again, existing CLG policy.
3. RDAs will have a leading role in ensuring the building of low-carbon developments. This will include setting carbon reductions targets in their corporate plans, working with Sector Skills Councils and Regional Skills Partnerships to increase skills levels for implementing zero-carbon construction. Comment: new, but on the face of it largely aspirational. Would hopefully tie in with other ideas for pilot projects.
4. The Communities and Local Government Carbon Challenge (Design for Manufacture II) will focus on delivering over 1,000 homes on an initial five sites owned by English Partnerships, achieving low or zero carbon status as well as enhanced environmental standards (Rating 5 of the Code for Sustainable Homes). It will also take forward the standards of the earlier Design for Manufacture competition. Comment: existing initiative.
5. A feasibility study looking at turning the Thames Gateway into a low/zero-carbon area is being conducted. Concurrently, a new programme of work is being initiated by the Technology Strategy Board which will attempt to provide answers to problems surrounding the development of zero-carbon communities, including upgrading existing housing stock. Comment: the new study will potentially be helpful.

6. Consultation will commence this year on the next set of changes to Part L of the Building Regulations. Comment: to be expected under the *Building a Greener Future* ten-year timetable for zero carbon.

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23 May 2007