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Two new Ministers for DECC

On 15 July 2014, DECC welcomed two new Ministers as part of the Prime Minister's reshuffle.

Amber Rudd is now Parliamentary Under Secretary of State at DECC. **Matthew Hancock** is now Minister of State at the Department of Energy and Climate Change, Minister of State at the Department for Business, Innovation and Skills, and Minister of State for Portsmouth.

Energy and Climate Change Secretary Ed Davey welcomed the two new ministers and paid tribute to Greg Barker and Michael Fallon for their work.

Ed Davey said "I'm looking forward to welcoming Matthew Hancock and Amber Rudd to DECC. They join us as we are increasingly demonstrating the success of our policies to meet Britain's energy and climate change challenge. I know their combined experience and abilities will be an enormous asset as we complete this government's work."

Ed Davey added "I want to thank Michael Fallon and Greg Barker for their immense contributions."



To find out about Amber Rudd's portfolio of work, [click here](#), for Matthew Hancock, [click here](#).

New report showing the progress made securing UK Energy Investment

On 17 July, DECC launched Delivering UK Energy Investment, a comprehensive assessment from the government of the investment picture and pipeline in the UK energy sector. The report outlines the following:

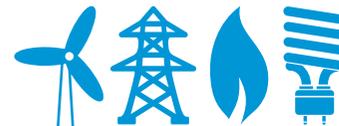
- The scale of the UK's energy investment challenge; and
- The investment opportunities; and
- progress to date.

To access the report [click here](#).

Launching the report at the CBI's Energy Conference in London, **Ed Davey said** "I am publishing the government's first ever annual Energy Investment Report. This sets out the record in each area from electricity to gas, renewables to nuclear, energy efficiency to the North Sea."

And it's a record I believe we can be proud of. Because it now places Britain not just as one of the most attractive countries to invest in energy infrastructure – in the world, but also as a global leader in low carbon energy technology."

Tell us what you think of the report by using the hashtag [#energyforgrowth](#) 



If you would like a hard copy of the report [email here](#)

Certainty for the UK economy - no changes to the fourth Carbon Budget



Following a detailed review, Ed Davey has confirmed that the government will not amend the Fourth Carbon Budget. The budget, which covers the period 2023 to 2027, will stay at its existing level of 1950 MtCO₂ equivalent (a 50% reduction in emissions relative to 1990).

The decision that government has taken is consistent with the advice of the Committee on Climate Change (CCC). It also reflects the views of the vast majority of businesses, investors and environmental groups.

Ed Davey said "Having conducted a detailed review, it is clear that the evidence does not support amending the budget... Above all, maintaining the Fourth Carbon Budget at its current level demonstrates the UK's commitment to its climate change target of an 80% reduction in emissions by 2050.

The UK has the world's most transparent system of binding emission reduction targets, which are used as a model throughout the world. Today's decision cements the UK's place as a global leader in combating climate change, which will allow us to play a central role in delivering a global deal to combat climate change at the end of 2015."

To read Ed Davey's Written Ministerial Statement to Parliament, [click here](#).

Factcheck

A carbon budget places a restriction on the total amount of greenhouse gases the UK can emit over a 5-year period. The UK is the first country to set legally binding carbon budgets. DECC introduced carbon budgets as part of the **Climate Change Act 2008** to help the UK reduce greenhouse gas emissions by at least 80% by 2050. The fourth carbon budget covers the period 2023 to 2027 and requires a 50% reduction in emissions relative to 1990.

Lord Deben, Chairman of the CCC, said: "I am very pleased that the government has accepted our advice given under the terms of the Climate Change Act. This confirmation is a further example of the commitment of government and parliament to the battle against climate change."

eeef

**The
manufacturers'
organisation**

Commenting on the outcome of the full evidenced based review of the Fourth Carbon Budget, **Gareth Stace, Head of Climate & Environment Policy at EEF, the manufacturers' organisation, said:** "This was the correct approach to take in opposition to voices who wanted the Chancellor to simply accept the target without even examining the evidence and carry on regardless. We support the government's decision."

Britain's energy security strategy now fully in place

The final element of the Government's energy security strategy was confirmed on 30 June.

Ed Davey announced the amount of electricity generation capacity the Government will procure when it re-introduces a capacity market into the UK later in 2014.

Following detailed recommendations from National Grid, the Government will procure a total of 53.3 GW of electricity generating capacity. This equates to more than 80 per cent of peak electricity use in Great Britain today - and together with renewables and other generation will ensure we have enough power to meet the demands of homes and businesses in the future.

The first capacity market auction will run in December 2014, for delivery in 2018/19, and is similar to arrangements used in the UK in the decade following electricity privatisation, which are standard practice in many US states and in some EU countries.

Ed Davey said: "There was a real risk back in 2010 that an energy crunch would hit Britain in the middle of this decade and lead to damaging power cuts."

"But the excellent news is that with this announcement we have the final piece of the jigsaw of our detailed energy security plans and can now say with confidence that we have defused the ticking time bomb of electricity supply risks we inherited...Britain is a world leader in energy security - leading in the EU and ahead of every other G7 country."

To read more [click here](#)

Building on our energy security strategy, DECC announced that renewable energy projects will compete for a budget of over £200 million in October 2014 for the first allocation round for new Contracts for Difference, which provide long-term certainty and reduce risk for investors. On 24 July 2014, Ed Davey said that renewable energy projects would have to bid competitively for the contracts, ensuring that new, clean electricity generation would be built at the lowest possible cost to consumers. For more detail on this first allocation round [click here](#).

Factcheck

The introduction of the Capacity Market will have a limited impact on bills. The latest impact assessment shows that the Capacity Market will lead to a £2 increase in the average annual domestic electricity bill over the period 2014 to 2030, though the impact will ultimately depend on the size of any capacity problem.

Green light for Rampion offshore wind farm

On 16 July 2014, Rampion offshore wind farm off the coast of Sussex was given consent from the government to go ahead. The project is expected to support more than 750 jobs and bring over £2 billion of investment into the UK's economy.

Once built, the wind farm would generate enough electricity to power approximately 450,000 homes.

The decision underlines how the government's policies have made the UK the best place in the world to invest in offshore wind.

Ed Davey said: "We're driving investment in our energy security, and our plans have made us number one in the world for investment in offshore wind energy."

"This project is great news for Sussex, providing green jobs as well as driving business opportunities right across the country in a sector with a clear roadmap for long-term growth."

Building on this positive news, Dudgeon offshore windfarm announced earlier in July 2014 that its developers have made a Final Investment Decision, marking an important stage in moving forward on a project that will see £1.5 billion of investment in offshore wind.

Based off the coast of north Norfolk, the Dudgeon wind farm is:

- expected to support up to 450 jobs
- expected to generate enough electricity to power approximately 410,000 homes.
- the first out of eight renewable electricity projects that signed an investment contract to announce its Final Investment Decision.



Factcheck

Onshore construction of the Rampion development is expected to start in 2015 and the project, including the offshore installation, will take 4 years to complete. The developer estimates that generation will start in 2018/19.

£10 million available under the Electricity Demand Reduction auction

The Electricity Demand Reduction (EDR) pilot scheme has now opened for expressions of interest. The £10 million pilot will provide organisations with financial support to install more efficient electrical equipment that reduces electricity demand at peak times.

DECC is testing whether projects that deliver lasting electricity savings at peak times, like replacing old bulbs with LEDs or improving motors and pumps, could compete with generation, demand side response and storage in the forthcoming **GB Capacity Market**.

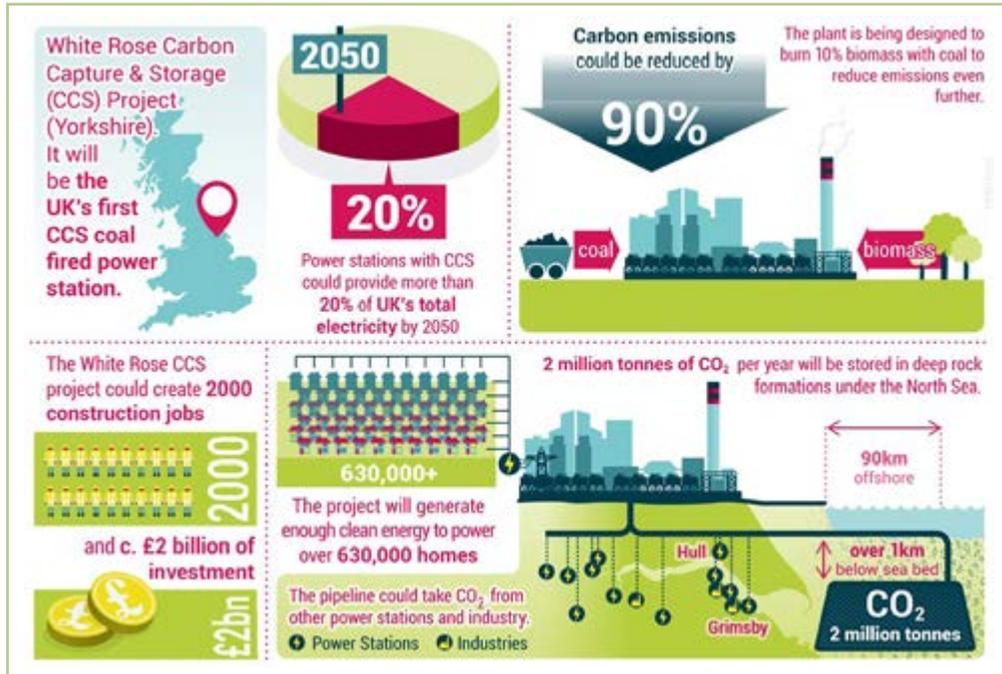
More than 400 organisations as diverse as hospitals, airports and supermarket chains have already come forward to indicate they are considering participating in the auction and DECC would like to encourage more organisations to take part. DECC is looking for anyone with projects that can deliver at least 100 kilowatts of savings throughout the winter peak.

To register your interest and find out more about the project, [click here](#). The deadline for formal expressions of interest is 30 September 2014.

Factcheck

Organisations that register, and whose projects qualify, will be invited to take part in a competitive auction. The winning bids will be those that represent best value for money (e.g. the lowest price for each kW offered) up to the total budget available in the auction. Successful bidders will receive payments once savings are delivered and evidence received.

€300 million funding for UK carbon capture project



On 8 July, the UK based White Rose carbon storage project, that could support up to 2,000 jobs and provide clean electricity to more than 630,000 homes, received a funding boost of €300m from the European Commission.

The White Rose project, based at Britain's largest coal-fired power station, the Drax plant in Yorkshire, is one of Europe's first carbon capture and storage (CCS) projects. When built, the plant would:

- capture around 90% of its carbon dioxide emissions; and
- safely store two million tonnes of carbon dioxide per annum under the North Sea seabed.

Ed Davey said: "This is great news for Yorkshire and for Britain. White Rose will create thousands of green, local jobs and make a real difference to cutting carbon emissions."

"And as a world leader in the technology, as carbon capture and storage is commercialised Britain will be in first place to export this knowledge to a decarbonising global economy."

NER300 is a European Commission programme that funds innovative renewable energy technology and CCS projects, and the White Rose is the only CCS project in Europe to be allocated funds under the programme.

More widely, the White Rose project, along with another CCS project based in Peterhead, are benefiting from around £100 million from the UK government to support design and engineering work. Both projects are eligible for the remaining £1 billion of support under the CCS Commercialisation Programme.

Factcheck

A consortium of Alstom, BOC, Drax and National Grid is developing the White Rose project. The UK is ideally suited to the development of a CCS industry with excellent storage potential in the North and Irish seas, world leading CCS research and **one of the most favourable policy environments for CCS in the world**, according to the Global CCS Institute's (GCCSI) new CCS Policy Indicator.

£15 million to kickstart new regulator in response to Wood Review

On 16 July, DECC announced it would contribute short term funding of £15 million over five years to help kickstart the establishment of a new arm's length regulatory body for the UK's offshore oil and gas industry.

The government's one-off contribution to help fund the new regulator was the only major change to the Wood Review recommendations, which the government had already accepted and fast-tracked when the Wood Review's report was first presented in February 2014.

While in the long term the new Oil and Gas Authority (OGA) will be 100% funded by industry, the government contribution of £3 million funding for 5 years from 2016/17 is to demonstrate commitment to

the OGA and ensure it is established as quickly as possible.

Ed Davey said: "The Wood Review is good for our energy security, good for the economy and good for jobs."

"We've made a lot of progress in a short amount of time – in six months we have announced the new body will be located in Aberdeen, we're recruiting for a world-class CEO, and we already have the legislative framework for the new body underway."

To read the government's response to Sir Ian Wood's Review [click here](#).

Factcheck

The OGA will undertake the licensing, exploration and development functions work currently carried out by DECC and will have a remit which extends to both onshore and offshore mining.

Image courtesy of BG Group

New onshore licensing round opens

On 28 July, the government opened the bidding process for companies seeking licences to explore for onshore oil and gas, to help discover how the gas under our feet can help power our homes.

Matthew Hancock published details of how companies can apply for licences which will enable them to start initial exploration for shale gas. The details are set out [here](#).

The licences provide the first step to starting drilling – but do not give absolute agreement to drill. On top of a licence, any further drilling application will then require planning permission, as well as permits from the Environment Agency and sign-off from the Health and Safety Executive.

Matthew Hancock said: "Unlocking shale gas in Britain has the potential to provide us with greater energy security, jobs and growth. We must act carefully, minimising risks, to explore how much of our large resource can be recovered to give the UK a new home-grown source of energy... The **new guidance published today** will protect Britain's great national parks and outstanding landscapes".

Applications to the Green Deal Home Improvement Fund close

Due to overwhelming popular demand, the Green Deal Home Improvement Fund (GDHIF) has now closed for applications.

A surge in applications over July has meant that the allocated budget has now been reached. All applications received prior to the fund closing that satisfy the terms and conditions and meet the eligibility criteria will be honoured at the original rates.

Amber Rudd, said: "The Green Deal Home Improvement Fund is a world first and in a short space of time it has proved extremely popular... As a result, thousands more families will now benefit from government help to have warmer homes which use less energy."

DECC will now monitor voucher redemption rates and will consider whether to launch a further offer should funds become available.

There's no need for the closure of GDHIF to stop you making energy efficiency improvements to your home. A Green Deal Assessment is tailored to your home and it gives you a valuable picture of what you can do to have a warmer home and use less energy. Contact the Energy Saving Advice Service on 0300 123 1234 to find out what options are available to help fund improvements.

You can also receive updates about future Green Deal schemes by [emailing here](#)

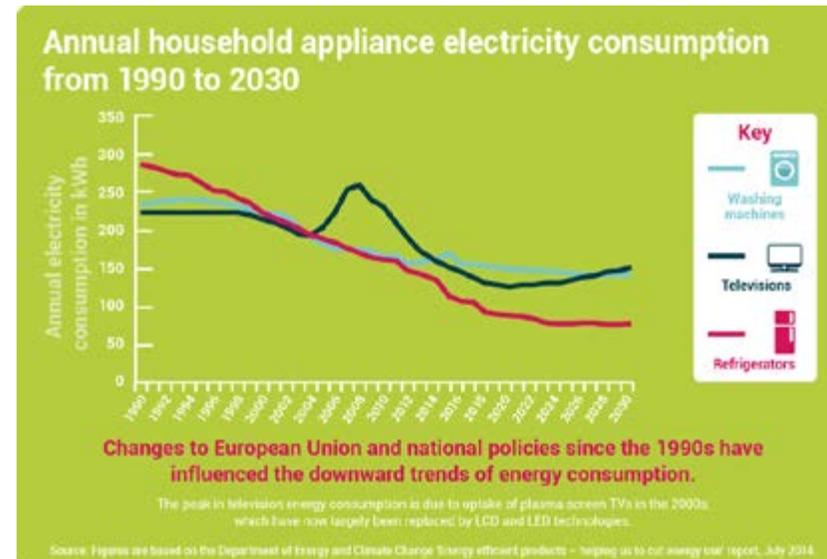


Dramatic fall in cost of running household goods

Watching TV, washing your clothes and even turning on the lights is now cheaper than it was in 2004. Research published by DECC shows the cost of running household appliances has tumbled and, in some cases, halved due to tougher minimum performance standards which have led to more and more energy efficient products dominating the market.

The findings also show that an appliance's energy rating is the most important factor for consumers when choosing a new fridge or washing machine. In addition, households could spend 80% less if they used LEDs rather than traditional bulbs over the course of the LED bulb's lifespan. This includes the cost of purchasing traditional light bulbs over five and half years, which would be about £135, compared to a single LED that will last the same amount of time and cost only around £9.30.

Ed Davey said: "Making everyday appliances more energy efficient has helped to keep more money in the pockets of consumers – without people having to do a thing... Newer, less power-hungry appliances are coming out all the time thanks to better product standards and improving technology."



Factcheck

The report looked at the impact of energy efficiency standards and labels for appliances and found:

- An average refrigerator bought in 2013 would cost half the amount to run over the course of its lifetime compared to one bought in 2000.
- A new washing machine in 2013 would use 28 kilowatt hours of electricity less each year than the most energy efficient model from 2000 – enough to boil around 150 kettles.
- If switched on constantly, a single LED bulb lasts around five and half years – that's 50 times longer than a traditional light bulb, which lasts only about 42 days.

£1 million now available for charity and community organisations

Through the Big Energy Saving Network, £1 million is now available for charity and community organisations so they can reach vulnerable consumers and advise them on how to save money on their energy bills. This will include:

- advice on switching tariffs,
- the different bill payment methods available, and;
- information on the various government schemes that help lower bills - such as the Energy Company Obligation.

To read more, and find out how to make an application [click here](#).



BIG ENERGY SAVING NETWORK

Factcheck

In 2013 nearly 160 projects across Great Britain received Big Energy Saving Network funding. For example, Wealden District Council, in partnership with community engagement company Communities Matter, used £4,000 worth of funding to create the first ever energy “pop-up shop” in East Sussex.

‘Bucks Big Heat’ project success

A project in Buckinghamshire managed by Dale Hoyland at the National Energy Foundation (NEF), has won a **National Energy Action (NEA) Community Action Award** for its support to 50 low-income families in helping towards winter fuel costs.

The Big Heat Project has supported 50 low-income families living in Buckinghamshire with a £70 fuel voucher to contribute to winter fuel costs. The project also offered these families:

- longer term support to be able to use energy within their homes efficiently
- help in improving budgeting skills

Receiving the award, **Dale Hoyland said:** “This recognition via the NEA’s Community Action Award is very gratefully received, and testament to the significant number of volunteer hours that many have put into the project.”

All of NEA’s Community Action Award winners will be at the **NEA Annual Conference in Scarborough (15-17 September 2014)** where attendees will be able to learn more about their individual projects.



Sir Bob Geldof launches Smart Energy GB's campaign



On Tuesday 8 July, Smart Energy GB launched the consumer campaign supporting the rollout of smart meters in homes and smaller businesses across Great Britain.

Sir Bob Geldof and Ed Davey gave keynote addresses at the event, which also saw the unveiling of characters Gaz and Leccy, who will be bringing the campaign to life.

Ed Davey emphasised how much technology has revolutionised our lives – for example, in music we've moved from vinyl and CDs to downloads and streaming. He added 'Smart meters will bring the digital revolution to the energy system. They will bring an end to estimated billing. Consumers will only be billed for the energy they actually use, helping them to better manage their budget... and the behaviour changes that smart meters have the potential to unlock could be profound.'

Sir Bob's key theme was how technological advances could empower consumers. He also focused on the fact that in the room there were many people from third sector organisations – such as housing associations, charities and community groups, who are pivotal to helping consumers, particularly the more vulnerable in society, to benefit from smart meters.

Later that same week, Sir Jeremy Heywood, the Cabinet Secretary, visited E.ON's smart metering centre of excellence in Nottingham. As part of his visit, Sir Jeremy was briefed on E.ON's smart programme and met two of E.ON's smart meter installers.

Factcheck

Most householders will have smart meters installed by their energy company between late 2015 and 2020, although some energy companies are starting to install smart meters now.

A future vision for the EU Emissions Trading System



On 16 July, the government published its Vision for Phase IV of the EU Emissions Trading System (EU ETS), a blueprint setting out the UK's current thinking on future reform priorities.

The EU ETS is the cornerstone of EU climate change policy. It sets a fixed limit on carbon emissions and gives companies the flexibility to decide whether and when to invest in carbon abatement or to purchase allowances to comply, with the price of allowances determined by the market. Due to an oversupply of allowances in recent years owing to a combination of factors such as the economic slowdown, overlapping EU policies and an influx of international credits, the market is not stimulating the low-carbon investment needed now to meet long-term emissions reductions targets.

The reform measures outlined in the Vision are needed to strengthen the ETS so that it achieves the following:

- helps businesses deliver future emissions reductions cost-effectively,
- fosters investment in low-carbon technologies, and;
- protects the competitiveness of UK industrial sectors.

The UK is calling for ambitious and urgent reform in three priority areas to get the System back on track for a successful future:

- tackling the surplus,
- protecting sectors at risk of competitive disadvantage and improving the System's efficiency, and;
- cutting through unnecessary red tape.

Factcheck

Since 2005, the UK has been using the EU ETS as a key tool to help deliver its emissions reduction target – a reduction of 80% by 2050. The UK's emissions are down by 24% compared to 1990 levels.

[Click here](#) to read the UK Vision for Phase IV of the EU ETS.

[Click here](#) to read more on EU ETS.

Visit to pioneering green farm in Somerset



On 2 July, Baroness Verma, Parliamentary Under Secretary of State for Energy and Climate Change, visited the UK's largest independent cheese producer and milk processor, Wyke Farms in Somerset to officially open its £1 million water recovery plant.

This investment is part of the cheese brand's £10 million long-term sustainability plan, called 100% Green. The Water Recovery Plant consists of a new membrane filtration system, which is installed in the effluent area of its factory and has already reduced factory water consumption by 70%. It will save Wyke Farms up to 850,000 litres of water per day, and avoids the need for more water extraction or a bigger incoming mains, meaning a more sustainable approach to business.

Baroness Verma said: "Harnessing power from farm waste and the sun has not only helped Wyke Farms reduce carbon emissions, it has helped them cut costs and save money on their energy bills... It's great to see Wyke rising to the challenge".

Factcheck

Wyke Farms are 100% self-sufficient in green energy, thanks to biogas generated from its own Anaerobic Digester (AD) using farm and dairy waste, and solar panels installed across the farm buildings. Its AD plant saves 5 million kilos of CO₂ per year.

Scottish whisky – taking the energy efficiency share

The UK Green Investment Bank (GIB) has announced £5 million of funding for a pipeline of energy efficiency projects at a number of Scottish distilleries. Half of this will come from GIB, with matched funding from the private sector.

The projects will finance the installation of biomass boilers, to replace the existing, inefficient, heavy fuel oil boilers. This will reduce:

- the distilleries' energy costs, and;
- their greenhouse gas (GHG) emissions, without requiring any up-front capital investment.

Aberfeldy distillery in Perthshire will be taking advantage of the new funding available. The Aberfeldy project will use the same core biomass boiler technology and systems as at the Tomatin project (near Inverness) which received energy efficient improvements in 2013.

Following GIB's investment at the Tomatin distillery in 2013, it is on track to reduce its GHG emissions by 80%.



Green Investment Bank

Business Secretary, Vince Cable, said "This investment in one of Scotland's most important industries will help secure jobs, support the local supply chain and become more energy efficient. Through our industrial strategy we are working in partnership with business to give companies the confidence to invest, securing green jobs and a stronger UK economy."

Stuart Lowthian, Global Technical Director, of Bacardi, said: "This will be our second investment in biomass solutions for energy generation in the UK. These investments underline our "Good Spirited" global sustainability initiative to work with partners to build a sustainable future."

Bacardi, owners of Aberfeldy distillery, have estimated that the project could reduce the distillery's carbon footprint by up to 90%, by replacing 100% of the heat currently generated from fuel oil.

80%

reduction in GHG emissions

Factcheck

The UK Green Investment Bank was launched in November 2012. With £3.8 billion of funding from the UK government, it is the first bank of its kind in the world. The bank's mission is to accelerate the UK's transition to a greener economy, and to operate independently of government.

Entry to the 2015 Queen's Awards for Enterprise now open!

The Queen's Awards for Enterprise are widely recognised as the most prestigious in UK business and salute the success of British companies and individuals. Entry to the 2015 Awards is now open until 30 September 2014.

Do you or any of your networks know:

- A UK business that deserves recognition for its contribution to International Trade, Innovation or Sustainable Development?
- An individual who encourages entrepreneurial skills & attitudes in others?

If you answered yes to either of the questions, please encourage quality businesses to enter, and outstanding individuals to be nominated, in order to receive the recognition they deserve.

These awards command huge respect overseas and give winning companies an edge over the competition.

Nominate today by [clicking here](#).

For more information on the awards, [click here](#).

Speaking to the 2014 winners of the Queen's Awards for Enterprise, **Prime Minister David Cameron said:** "Every one of these companies, and thousands more like them, are vital for our economy and I'm delighted that the Queen's Awards for Enterprise recognise that and give you all the praise and recognition that you deserve".



Events



DECC and OxFutures are delighted to announce that the Powering Up conference for local authorities and community energy groups will take place on **Thursday 4 September in Oxford**.

Ed Davey will be speaking and the day will be chaired by Ed Gillespie, Co-founder of Futerra. The event will include:

- Speakers from pioneering community energy projects around the UK who will share their experiences
- Breakout sessions that will identify how more communities can work together for local energy

In January 2014, Ed Davey launched the UK's first ever Community Energy Strategy. This marked an exciting step change for the sector and included a series of ambitious new measures. DECC is already working closely with industry and community energy stakeholders to ensure that the bold vision of scaling up community energy becomes a reality.

Read the **Community Energy Strategy**.

Click here for more information on **the programme and how to register for Powering Up**.

Click here for information on **OxFutures**.

For further information on this and other events, [please contact us](#).

Consultations

Underground drilling access

Closes: 23:45, 15 August 2014

Support for non-domestic electricity consumers on Shetland

Closes: 23:45, 15 August 2014

Smart Metering Implementation Programme: Great Britain companion specification version 0.8

Closes: 23:45, 21 August 2014

Amendments to UK Designated National Authority and Designated Focal Point Regulations

Closes: 23:45, 22 August 2014

New Smart Energy Code content (Stage 4)

Closes: 23:45, 25 August 2014

DCC procurement strategy and statement of service exemptions

Closes: 23:45, 29 August 2014

Private Rented Sector Energy Efficiency Regulations (Domestic)

Closes: 23:45, 2 September 2014

Private Rented Sector Energy Efficiency Regulations (Non-Domestic)

Closes: 23:45, 2 September 2014

Call for evidence on energy issues affecting park homes

Closes: 23:45, 30 September 2014

Cutting the cost of keeping warm: a new fuel poverty strategy for England

Closes: 23:45, 7 October 2014

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