

<b>Department of Energy and Climate Change</b> <b>Structural Reform Plan Monthly Implementation Update</b>	<b>May</b> <b>2012</b>
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**(1) Actions due to be completed in May 2012 or completed early**

<b>Section</b>	<b>Action</b>	<b>Status</b>
1.1(xi)b	[Work with DCLG to:] enable the Green Deal by developing proposals for reviewing take-up and possible regulation of the private rented sector, providing access to Energy Performance Certificate (EPC) data (due October 2012)	Complete early
2.4(ii)	Run process to identify further CCS projects to be supported by public investment	Overdue

**(2) Actions due to be started by end May 2012**

<b>Section</b>	<b>Action</b>	<b>Status</b>
1.1(iii)	Develop policies to increase demand for the Green Deal, alongside core finance offer (due to complete Oct 2012)	Work ongoing
1.1(iv)	Develop policies to enable application of Green Deal to the commercial sector alongside household offer (due to complete Oct 2012)	Work ongoing
1.1(ix)	Lay secondary Green Deal legislation and license modifications before Parliament (due to complete Mar 2012)	Work ongoing
1.1(xi)c	Work with DCLG to encourage local authorities to become involved in delivering energy efficiency in their areas and social landlords to take action to improve the energy performance of their stock, using the Carbon Emissions Reduction Targets and the Green Deal to augment Decent Homes funding where appropriate, to stimulate the Green Deal and provide greater certainty to suppliers (due to complete Oct 2012)	Work ongoing
1.1(xi) d	Work with DCLG to extend Display Energy Certificates to commercial buildings (due to complete Oct 2012)	Work ongoing
1.2(iii)	Amend energy suppliers licences to require them to complete the rollout by 2019 [smart electricity and gas meters], and facilitate early deployments (due to complete Sep 2012)	Work ongoing
1.2(iv)	Award licence for central body to manage smart meter communications and data (due to complete Dec 2012)	Work ongoing
1.2(v)	Process to award competitively procured contracts for centrally provided smart meter communications and data services (due to complete Dec 2012)	Work ongoing
1.2(vi)	Complete all necessary arrangements enabling start of mass roll-out of smart meters (due to complete Apr 2014)	Work ongoing
1.4(iii)	Reduce greenhouse gas emissions from DECC's own estate and operations by 25% compared to 2009/10 by March 2015 and meet other Greening Government commitments to reduce DECC's impact on the environment (due to complete Mar 2015)	Work ongoing
1.5	In line with the Red Tape Challenge, bring forward proposals to reduce and reform the stock of statutory instruments and regulations for which the Department has overall responsibility (due to complete Dec 2012)	Work ongoing
2.2(iii)b	Implement business rate retention for renewable energy development (due Apr 2013)	Work ongoing
2.2(v)	Undertake first major review of Feed-in Tariffs for small-scale renewable energy, consult and implement changes (fast-track consideration of some aspect to be	Work

	completed in 2011) (due to complete Apr 2012)	ongoing
2.2(vi)	Conduct four-yearly review of Renewables Obligation (RO) Banding (levels of financial support for different technologies) to ensure that the RO provides the correct level of support to maintain investment in large-scale renewable energy generation (due to complete Apr 2013)	Work ongoing
2.4(i)	Award contract for first demonstration project (due to complete Dec 2011)	Work ongoing
2.4(ii)	Run process to identify further CCS projects to be supported by public investment (due to complete May 2012)	Work ongoing
2.5(iii)	Work with Ofgem and wider stakeholders through the Smart Grid Forum to publish initial report identifying facilitating actions to overcome current and future barriers to smart grid deployment (due to complete Jun 2012)	Work ongoing
2.7(iii)	Agree EU legislation on energy infrastructure to support projects of European interest and facilitate commercial infrastructure investment needed for security of supply and low-carbon transition (due to complete June 2012)	Work ongoing
2.7(iv)	Develop EU technical and market codes to improve functioning/integration of EU energy markets (due to complete Dec 2014)	Work ongoing
2.7(vi)	Agree Commission proposals on Offshore Drilling which protect the environment and support UK objectives without placing a disproportionate burden on the industry (due to complete Dec 2011)	Work ongoing
2.7(vii)	Support proportionate proposals in reaction to Fukushima, including stress-testing nuclear plants within the EU – ensuring that these are fully transparent and undertaken by Member States (due to complete Jun 2012)	Work ongoing
3.3(iv)	Work with partners in Europe to establish standards for smart grids and meters by the end 2012 (due to complete Dec 2012)	Work ongoing
3.3(v)	Secure appropriate policy proposals to take forward the low carbon Roadmap 2050 to ensure a cost effective trajectory to 2050 (due to complete Jun 2012)	Work ongoing
3.3(vi)	Drive efforts within the EU to amend the Emission Trading Scheme Directive to deliver full auctioning of allowances (due to complete May 2015)	Work ongoing
3.4(ii)	Use the Advisory Group on Climate Finance proposals (to raise \$100bn by 2020) to drive international agreement on innovative sources of finance for climate change (due to complete Dec 2012)	Work ongoing
3.4(iii)	Encourage through a range of initiatives governments in designing and delivering low carbon development (due to complete Dec 2012)	Work ongoing
3.4(viii)	Establish the Capital Markets Climate Initiative to use private sector expertise to test new and innovative instruments for leveraging private finance to tackle climate change in developing countries (due to complete Dec 2012)	Work ongoing
3.4(xi)	Complete the disbursement of £2.9bn of climate finance [with DfID, HMT and Defra] (due to complete Apr 2015)	Work ongoing
3.5(iii)	Deliver £300 million of UK fast-start finance to reduce emissions from deforestation (due to complete Dec 2012)	Work ongoing
4.1(ii)	Complete removal of fuel from Sizewell A site (due to complete Mar 2013)	Work ongoing
4.1(iii)	Achieve major milestones on high hazard ponds and silos at Sellafield, including the installation of retrieval infrastructure in pond B30 (due to complete Mar 2014)	Work ongoing
4.1(iv)	Put at least one Magnox station into effective care and maintenance (due to complete	Work

**(3) Explanation of missed deadlines**

In May 2012, DECC missed the following deadline:

Action	Reason
2.4(ii) Run process to identify further CCS projects to be supported by public investment	<p>Negotiation on the first demonstration ceased last October when agreement could not be reached. An outcome-based programme was developed. On April 3<sup>rd</sup>, 2012 the new competition was launched. DECC published the first UK Carbon Capture and Storage Roadmap. This sets out the steps government will take to develop a new, world-leading Carbon Capture and Storage industry in the 2020s.</p> <p>In the new, 2012-15 Business Plan this action has been reworded because negotiations on Carbon Capture and Storage Demo 1 were terminated in 2011. The new action reflects the department's new project plan for carbon capture and storage technology.</p>

The status of actions missed from previous reports is:

Action	Status	Reason
1.1(ix) Lay secondary Green Deal legislation and license modifications before Parliament	Overdue	<p>Secondary legislation has been delayed because the Energy Act 2011 received Royal Assent in October 2011, not July 2011 as planned. This action will now finish in June 2012.</p> <p>In the new, 2012-15 Business Plan published on May 31<sup>st</sup>, this is now action 1.1(iv).</p>
2.2(v) Undertake first major review of feed-in tariff for small-scale renewable energy, consult and implement changes (fast track consideration of some aspects to be completed in 2011)	Overdue	<p>The full consultation on the feed-in tariff review was published on February 9th, 2012. This was later than planned and consequently some changes will be implemented late, in October 2012.</p> <p>The review covers tariffs for a number of different technologies. Given the unexpectedly fast reductions in the cost of solar photovoltaic (solar PV) installations, and the associated high uptake of the tariff under the scheme, it was essential that DECC gave priority to early reviews of the solar PV tariffs, which were subject to consultations during 2011. Consequently work on non-solar PV tariffs took longer than expected.</p> <p>In the new, 2012-15 Business Plan published on May 31<sup>st</sup>, this has now been split into two actions, one of which completed in April and as such is in the 'completed actions' annex. Some of the review was delayed due to the team working on the early solar photovoltaics</p>

		tariff review. The remaining action is 2.2(v).
2.4(i) Award contract for first [Carbon Capture and Storage] demonstration project	Overdue	<p>Negotiations on the Demo One project have ceased. This project will no longer proceed, as announced on October 19<sup>th</sup>, 2011.</p> <p>Development of an alternative, outcome-based programme has been developed. On April 3<sup>rd</sup>, 2012 the new competition was launched. DECC published the first UK Carbon Capture and Storage Roadmap. This sets out the steps government will take to develop a new, world-leading Carbon Capture and Storage industry in the 2020s.</p> <p>In the new, 2012-15 Business Plan this action has been reworded because negotiations on Carbon Capture and Storage Demo 1 were terminated in 2011. The new action reflects the department's new project plan for carbon capture and storage technology.</p>

#### (4) External delays

The status of actions delayed for reasons outside of the Department's control is:

Deadline missed	Status	Reason
2.7(vi) Agree Commission proposals on offshore drilling which protect the environment and support UK objectives without placing a disproportionate burden on the industry	Delayed	<p>Commission proposals now published. They call for a regulation rather than a directive which may involve the repeal of a large number of existing UK offshore regulations with all the uncertainty that will bring to industry. Negotiations have started which could continue until the end of 2012. Negotiations are outside of DECC's control.</p> <p>In the new, 2012-15 Business Plan this action has been deleted because this action has failed. The European Commission has published proposals that DECC does not agree with. The outcome and timetable of further negotiations are outside DECC's control.</p>