

Ashden Awards for Sustainable Energy

From practice to policy



A briefing paper

By the Institute for Public Policy Research
June 2009

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About the Ashden Awards for Sustainable Energy

The Ashden Awards for Sustainable Energy were founded in 2001 to reward and encourage the widespread use of local sustainable energy in the UK and the developing world.

UK Ashden Award winners, numbering more than 40, are delivering innovative local sustainable energy solutions through low carbon technologies, behaviour change and energy efficiency measures. They are drawn from sectors including small businesses, local authorities, charities and schools.

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We are thankful to the Ashden Award winners who contributed to this report who are listed below. For a full list of winners see the full report available on www.ashdenawards.org

[Arun District Council](#)
[Barnsley Metropolitan Borough](#)
[BioRegional](#)
[Council](#)
[Carbon Descent](#)
[Centre for Sustainable Energy](#)
[Community Energy Plus \(CEP\)](#)
[Dulas Ltd](#)
[Ecotricity](#)
[Energy Agency](#)
[ENWORKS](#)
[Global Action Plan](#)
[Good Energy](#)
[Kensa Engineering](#)
[Leeds City Council](#)
[Rural Energy Trust](#)
[Second Nature](#)
[South Somerset](#)
[Hydropower Group](#)



Foreword

What can the government do to help local sustainable energy become part of the fabric of communities across the UK? The answer to this question will partly determine whether we can create a low-carbon economy and meet the ambitious targets we have set to reduce greenhouse gas emissions.

Some answers to this question lie in this briefing which is the result of detailed consultations with our UK winners – businesses, local authorities, community groups and charities – who suggest ways to overcome the barriers they face in trying to deliver renewable energy, energy efficiency and other forms of local sustainable energy in their communities.

Their responses, which are based on substantial know-how and best practice in their individual fields, give us an idea of the enormous challenges ahead, but also a sense of hope that it is possible, with the political will and appropriate policies, to meet them. Although these practitioners acknowledge that there have been a few policy successes, there are also clear failures. In particular they highlight problems of funding – the amount and the lack of consistency in funding schemes – and planning barriers. They call for continuous funding streams and much stronger policy coherence to promote sustainable energy. All are unanimous in wanting to help improve on the past record and be part of a future that is much brighter.

I set up the Ashden Awards for Sustainable Energy in 2001 to reward sustainable energy champions across the UK and developing world that are bringing social and economic benefits to their communities. Since then, in addition to our annual Awards scheme, we have developed a broader support programme for our winners. In the UK our emphasis is increasingly on promoting the exemplary work of our winners and in particular helping them influence policy on sustainable energy in every way we can. This briefing is part of that effort.

The contributions made in this study show us that the government can learn a great deal by working in partnership with local providers of sustainable energy – like our Award-winners.

This briefing is aimed at policy makers at all levels and anyone else who would like to see local sustainable energy become a visible and integrated part of every community across the country, bringing all the wider social benefits that that means.

This report is the precursor for a larger research-based report we plan to publish early in 2010 which will follow up on these initial findings and recommendations.

A handwritten signature in black ink, reading "Sarah Butler-Sloss". The signature is fluid and cursive.

Sarah Butler-Sloss
Executive Chair and Founder
The Ashden Awards for Sustainable Energy



Mr Aitkin has benefitted from Leeds Council's 'Health through warmth' scheme

Locals visit Arun council's mobile energy efficiency advice centre, Littlehampton

Executive Summary

This Briefing Paper draws on the experience of the winners of the Ashden Awards for Sustainable Energy to make practical policy recommendations aimed at increasing the scale and scope of sustainable energy in the UK. The paper is based on research carried out with UK winners of the Ashden Awards through an online survey of winners and in-depth interviews with a smaller group of awardees.

Local sustainable energy at the household and community level has a range of potential benefits. The first of these is emissions reduction: 65 per cent of household CO₂ emissions could be saved by distributed generation by 2050 if supportive policies were put in place¹. Another benefit is improved energy security through reduced demand for imported gas: almost a fifth of UK energy demand could be met through community scale generation with the right support². Community energy can also make the transition to a low carbon economy real for people, with schemes they can see and own in their own neighbourhood, helping build political support for sustainable energy policy.

Many organisations across the UK – from businesses to local authorities and charities – are actively demonstrating the benefits of local sustainable energy. However, despite their good work, the full potential of sustainable energy is far from being realised in the UK. While the energy efficiency of housing in the UK has increased in the last ten years, over four-fifths of UK houses have yet to be fully insulated. Similarly, while installed renewable energy capacity, both large-scale and local, has increased in the UK in recent years, it still accounts for only around two per cent of total UK electricity generation.

Winners of the Ashden Awards have a valuable perspective on bridging the gap between the UK's aspirations and delivery of a sustainable energy. Many were pioneers of sustainable energy well before it became popular and have a wealth and diversity of experience to share. Some focus mainly on energy efficiency, while others are specialists in renewable energy, and within that on renewable heat and renewable electricity. Most who focus on energy efficiency work with households, whereas those who focus mostly on renewable technologies tend to work with organisations such as schools, local councils, businesses, and other institutions. Two are designers or manufacturers of renewable technologies.

Through our research, we have aimed to understand their perspectives on the policies that are working to deliver sustainable energy in the UK and those that are not, and how the barriers that remain to delivering sustainable energy could be overcome.

1, 2 ElementEnergy (2008) Power in Numbers: The benefits and potential of distributed energy generation at the small community scale. A report for the Energy Saving Trust, London: EST



The Whitewave outdoor activity centre, Isle of Skye were one of the first to join the Home Generation scheme in May 2004

Bike shed at Dulas, Powys, Wales – a large PV solar panel generates electricity for the building

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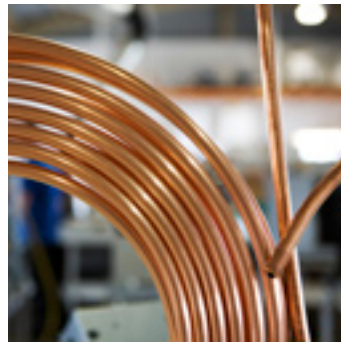
Policy successes

Some policy interventions have clearly been successful in enabling growth in the sector. The single most important policy for Ashden Award winners has been the Energy Efficiency Commitment (EEC) and its successor the Carbon Emissions Reduction Target (CERT), placing an obligation on energy suppliers to provide funding for carbon saving measures to households. A third of Award winners that were surveyed said that many of their sustainable energy successes would not have been achieved without the programme.

The next most useful set of interventions cited were the support programmes (including funding) of the Energy Saving Trust and the Carbon Trust, along with fuel poverty programmes such as Warm Front. Another useful policy for Award winners has been the Home Energy Conservation Act – largely because it almost instantly created sustainable energy champions within local authorities with housing responsibilities, and ensured that home energy efficiency received a level of resource and political attention at the local level.

Several interviewees also highlighted the importance that building regulations, such as the Code for Sustainable Homes, have had on increasing the uptake of renewable energy and energy efficiency measures. Changes in the planning regime were also felt to have been useful, particularly the Merton rule adopted by local authorities requiring all new developments to generate 10 per cent of their energy needs from on-site renewables.

The Low Carbon Buildings Programme (LCBP) was also cited as a policy that had helped many Award winners, not always because of the capital grants it has provided (which have been problematic), but because of the requirement for training and certification.



Private landlords have benefitted from Arun Council's financial help to insulate their properties

Copper piping used in the manufacture of Kensa's ground source heat pumps, Truro, Cornwall

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Executive Summary

Policy barriers

However, several existing policies and approaches have failed to meet practitioners' needs. Funding – the amount and consistency of it – was cited as the key barrier by 80 per cent of respondents, making it difficult to plan work, and meet expectations.

The 'stop-start' nature of some policies has been particularly problematic. EEC/CERT and the LCBP were both cited as suffering from this flaw. Under EEC/CERT, there have been periods of inactivity when energy suppliers have hit their targets and stopped carrying out energy efficiency works. This has proved very problematic for the installation companies. The LCBP has also posed problems because funding has not been available in a continuous manner. There was concern among some interviewees that the transition from the LCBP to the introduction of the proposed feed-in tariff could cause this to happen again.

Award-winning businesses are finding it difficult to access capital, which is a significant barrier at start-up and when seeking to expand their operations. The credit crunch is exacerbating the situation. Some Award winners have experienced difficulties in securing financing for their own projects. Others fear that business may dry up as clients are unable to access finance or shift their focus away from environmental concerns.

The lack of householder engagement and interest is also clearly a significant barrier to Award winners working to reduce carbon emissions from the household sector, particularly in the absence of regulation to compel action. Levels of public engagement and awareness of sustainable energy and climate change were seen as low and further behind other countries, particularly in Europe.

Planning permission was highlighted as a significant regulatory barrier, particularly for larger-scale sustainable electricity and heat projects. Other barriers were also identified, the most significant being the difficulty faced in retrofitting homes, particularly those which are 'hard to treat' (i.e. those with solid walls or off the gas network). Measures for these homes attract higher costs. The complexity of connecting smaller sustainable electricity schemes to the grid was also cited as a barrier. Several interviewees have also encountered difficulties in recruiting the technical skills needed, pointing to a lack of training opportunities.



Solar PV installed by Dulas Ltd at Dyfi Eco Park, Machynlleth, Powys, Wales

Chipping wood to be used in a woodfuel heating system, Rural Energy Trust

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Policy solutions

Award winners were asked about their recommendations for future policy, the types of policies which are most needed and which ones they would prioritise to overcome the barriers facing the growth of sustainable energy in the UK.

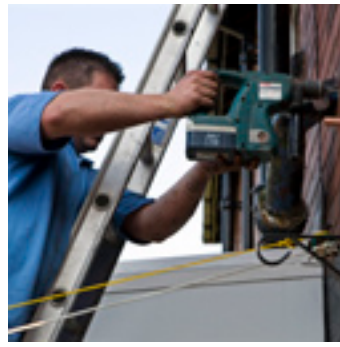
Not surprisingly, alongside the issues of coherence and continuity, addressing the problems with funding was seen as a priority. The policies which were perceived as most likely to help in the delivery of their work were sustainable energy capital grants and a renewable heat incentive. Several other policies including energy efficiency grants, a feed-in tariff and a soft loans scheme rated a close second.

Many Award winners were keen to see a continuous funding mechanism rather than the current 'bidding' process which is increasingly being favoured by programmes like the Community Energy Efficiency Fund (CEEF). In particular, funding targeted locally for area based approaches, suitable for off-gas-grid and solid-walled properties, was suggested. In addition, more funding dedicated to capacity building in the sector was requested, including for technical and project design, management support and for training and skills development.

The role of local authorities and the embedding of targets at the local level were seen as an important means of improving the implementation of national sustainable energy policy. Several Award winners were keen to see targets for local authorities to create buy-in and ownership of sustainable energy implementation, accompanied by consistent financial support to ensure effective delivery. Local authorities' role in the supply chain and their procurement capacity were also seen as integral to embedding local sustainable energy. In addition, enhanced training and resources for planning officers on sustainable energy in local authorities was seen as important.

More broadly, most Award winners thought much greater policy coherence to promote sustainable energy was necessary, with a strong, long-term policy framework needed to avoid the problems encountered by the 'stop-start' nature of some policy interventions to date. Many were keen to see greater connection between different policies, providing a more cohesive message to stakeholders, with for example, more integration through education, skills and training programmes, and Regional Development Agency (RDA) business support programmes.

Almost 87 per cent of Award winners stated that they would like greater involvement or input into the development of Government policy on sustainable energy. Winners favoured a range of different options for the form this input should take, including interviews and workshops. However, concerns about the efficacy of the Government's policy consultation processes and how much influence they genuinely have on outcomes would need to be addressed.



Leeds Town Hall

Installing cavity wall insulation

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Executive Summary

Conclusions and recommendations

Looking across all the areas of local sustainable energy, two common themes can be identified. One issue that was emphasised again and again is the importance of government and indeed all political parties committing to a long-term strategy, offering predictable funding flows. The other common theme was the need to develop policies that are not just about the large energy companies, but also about local and often smaller actors, including local authorities, charities and smaller companies. Award winners referred to the importance of partnerships between local authorities and charities, who are often the main intermediaries with community organisations. Government could provide briefings and help on what different partners want, how they operate and what they can offer.

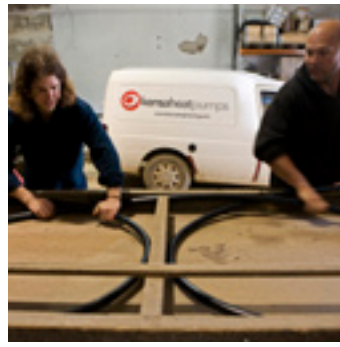
The kinds of organisations that the Ashden Awards celebrate are often highly innovative and creative, but they have to work around a lack of resources and support, largely because the key policy instruments have not been tailored to their needs, but rather to those of the large energy suppliers. This makes it difficult for them to plan and deliver sustainable energy to the communities they work with in a predictable way. Hence a place should be found within the policy framework for these kinds of organisations to play a more active role and access more funding. To help ensure that happens, further research or experimentation is needed into a number of possible changes to policy including:

Energy efficiency

- A regional allocation element could be required in CERT activity by energy suppliers, which would allow local authorities to plan how to work with suppliers better.
- A separate type of programme could be introduced that is more area-based, as the Government is proposing in the Community Energy Saving Programme (CESP). The Government should experiment with at least part of the CESP being delivered with resources under the direct control of local actors.
- Any new Suppliers Obligation replacing CERT should enable organisations such as local authorities and community groups, not just the large energy suppliers, to play a more active role and to directly control funding, so that wider energy services can be provided. Whatever form it takes, a smooth transition to the next phase of the obligation on suppliers is critical.
- Regulation, rather than engagement, has now transformed the market for condensing boilers, and work is needed to establish whether similar legislation should drive changes in local sustainable energy.
- Work is needed to develop local sustainable energy as a career and to systematise the accompanying training and qualifications in home energy.
- Government should also use its enormous procurement power to require energy efficiency and renewable energy right down the public sector supply chain.



Solar panels on the roof of Richmond Fire Station, Surrey



Making Kensa's heat pumps, Cornwall

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Renewable electricity

- The Government's proposal to open up a feed-in tariff (FIT) for small scale electricity generation, which would give a fixed return for each kWh, will give more certainty for small generators and is broadly welcomed.
- The FIT needs to be set at the right level, high enough to induce growth in each technology given its costs. Good Energy suggested that 9p/kWh is about right for small wind and hydro-power, but that 22p/kWh or more will be needed for solar PV. Also, as with the proposed banding of the Renewables Obligation, the FIT should be introduced as quickly as possible.
- The FIT should not be seen as the sole answer to encouraging small scale renewables. The successful German approach has involved a package that included capital grants and Government-guaranteed loans. With finance currently a problem, the latter is a particularly important area of policy for Government to consider.
- Beyond the economics of schemes, clearer and more supportive policy in other aspects of bringing projects through is also important. The Scottish Renewable Fund's help with planning, finance, and technical support should be replicated in England and Wales, where many community groups have lots of enthusiasm but not all have the necessary skills and knowledge to see projects through.

Renewable heat

- The Government's proposal for a Renewable Heat Incentive was broadly welcomed by Award winners. However, as with a feed-in electricity tariff, winners were keen to stress the importance of maintaining capital grants as part of a wider support package.
- A re-assessment of policy is needed across the full range of areas that affect heat policy, including health and safety, building regulations and planning to ensure the development of renewable heat is fully supported.
- Better ways need to be found to share knowledge about practice elsewhere – in the UK and the rest of the world. The Energy Saving Trust has recently set up a Community Action for Energy programme that includes such information sharing, but its experience should be reviewed and consideration given to more systematic ways of sharing successful experience from abroad within the UK.

The Ashden Awards for Sustainable Energy should continue to act as a conduit between Award winners and policy-makers to help ensure that the types of policy changes outlined above are explored fully and the voice of organisations who really deliver sustainable energy locally is heard. In the coming months, there will be invaluable opportunities to influence policy as the Government develops its plans to meet the carbon budgets set by the Committee on Climate Change, the European 2020 renewable energy target, and the Heat and Energy Saving Strategy. These opportunities should be seized to transform the prospects of sustainable energy at the local level in the UK