

Extending the Carbon Emissions Reduction Target (CERT)

March 2010

Response

Introduction

1. Northgate warmly welcomes the opportunity to respond to the Department of Energy and Climate Change's consultation on amendments to the Carbon Emissions Reduction Target (CERT).
2. Climate change is one of the most pressing problems facing the world. It requires all of us to act differently if we are to respond effectively. This challenge, however, has to be weighed against the need to break down inequalities within our diverse communities.
3. The government is due to publish its Household Energy Management strategy which will set out plans for the post-2012 period. Until that point, we recognise that it is essential to retain the momentum that CERT has developed.
4. In its Low Carbon Transition Plan, the government committed to extending CERT to the end of December 2012; to increase the focus of CERT on those vulnerable, lower income households most likely to be in fuel poverty; and to increase the scale of insulation delivery. Our response focuses on these issues.
5. We wholeheartedly support the government in these objectives. In particular, we believe it is critical that the escalating problem of inequality of access for the fuel poor to energy efficiency measures is tackled by increasing the focus of CERT on vulnerable households within our poorest communities.
6. We welcome the fact that equity continues to be placed at the heart of the distribution of CERT measures. Assisting vulnerable households and those on lower incomes is essential toward combating fuel poverty. However, we believe that CERT needs to be more ambitious in the way it delivers targeted support.
7. Local Authorities are ideally placed to work in partnership with utility companies in order to help them access the most vulnerable households. We argue that Local Authorities should be given a statutory role within the CERT programme.
8. Further to this, it is important that traditional energy efficiency measures to improve the housing stock are supplemented by measures which promote behavioural change. There is growing evidence to suggest that changing energy related behaviour offers substantial scope to save energy and hence reduce carbon emissions. We therefore believe that CERT must go further in promoting behavioural change.

CERT extension ambition

9. The government is due to publish the Household Energy Management strategy. This will outline energy efficiency plans post 2012. The CERT extension intends to take the CERT period up until December 2012 in order to maintain the momentum that CERT has already built up, and to facilitate a smooth transition to the new programme.
10. The consultation proposes a straight extension to CERT that will keep much of the existing framework, and simply extend the end date from 31st March 2011 to 31st December 2012. We believe that this is the correct approach to take. The alternative, as pointed out by the consultation, would be to require the existing target of 185 million lifetime tonnes of CO₂ to be met by 31st March 2011 with a separate obligation and new framework following. The creation of a new framework would take time to adapt to, reduce the momentum that CERT has developed, and therefore result in reduced carbon savings.
11. We support the fact that the CERT extension will be no less ambitious than the original CERT programme. The new target for the extended CERT period should be set pro rata in relation to the existing CERT obligation. Some have argued that the target for the CERT extension should be higher or lower than the original target, but a lower target would not be ambitious enough to meet the government's environmental targets, and a higher target may negatively impact upon the poorest households.

Increasing equity and assistance for the most vulnerable

12. Delivering energy saving measures can improve the thermal performance of a home and offer a long term reduction in energy bills. We firmly believe the energy efficiency measures should be combined with a wider objective of tackling fuel poverty.
13. A minimum of 40% of carbon savings achieved by the energy suppliers must already be delivered to a Priority Group. This consists of households containing a benefit recipient, or a person aged 70 or over.
14. However, it is clear that different groups within the Priority Group are more likely to be fuel poor than others, especially following the inclusion of non-means tested households aged 70 or over in the CERT Priority Group. The consultation points out that commercial patterns of behaviour would suggest that opportunities to deliver measures in more affluent households would be prioritised over lower income households. To overcome this, the consultation suggests the creation of a new 'Super' Priority Group to which a certain percentage of the 40% Priority Group measures must be delivered.
15. We believe that it is absolutely essential to increase access of CERT to the most disadvantaged people. The proposal that a Super Priority Group should be focussed on those in receipt of Pension Credit and Child Tax Credit is a positive first step. We

believe that there is a good case for such an approach as young and elderly residents are more susceptible to the negative life chances and health consequence of living in fuel poverty.

16. However, there are further opportunities for targeting support at those most in need. If EPC ratings were to be made available to energy supply companies, they would be able to use the information to target the most inefficient households.
17. There are also opportunities that could be developed through partnership working. Local authorities, for example, are ideally placed to work in partnership with energy suppliers so that support can be targeted more accurately at those most in need. Registered Social Landlords (RSLs) could also be involved in identifying the most vulnerable households. They hold good quality data that will enable target groups to be identified. This could include households that are no longer in social ownership.
18. We also believe that behavioural change is an integral part of reducing energy consumption. CERT has a role to play in promoting practical behaviour change, and local authorities could be actively involved in targeting measures. One way in which behavioural change could be achieved is through the use of energy assessors. We believe that further clarification is required on the role of domestic energy assessors in the CERT programme.

Scaling insulation delivery

19. With almost two thirds of household carbon emissions linked to space and water heating, it is imperative that CERT focuses on measures such as insulation which improve the thermal efficiency of a property. Insulation is one of the most cost-effective measures, but not as cost effective as Compact Fluorescent Lamps (CFLs).
20. Over 300million CFLs have been distributed through supplier obligation since 2002, and incandescent bulbs will be almost completely phased out due to EU legislation by 2012. The government is therefore proposing the removal CFLs as an eligible measure under CERT.
21. We wholeheartedly support such a move as this will promote the installation of insulation which offers greater benefits in terms of the efficiency of the property.

Innovation, evidence and reporting

22. CERT measures should only use the most energy efficient products. Where energy labelling is not available under the European labelling standards, we welcome the use of the Energy Saving Trust's standards for "Energy Saving Recommended" products.

23. We agree that there is a need to understand where measures have been delivered through CERT, and that the risk of double counting under schemes such as CESP and CERT must be reduced. We believe the current system is robust enough to ensure that Ofgem can identify and avoid such risk.