

Carbon Emissions Reduction Target (CERT) +20 Consultation

Summary for local authorities

Relevant to: England, Scotland and Wales

Summary

Proposals to amend the Carbon Emissions Reduction Target (CERT) 2008-2011 form a key part of Government's Home Energy Saving Programme announced on 11 September 2008. The consultation document was launched on 12 February 2009 and we expect final changes to be agreed by summer 2009.

The proposed amendments are designed to maximise the number of households able to benefit from CERT but the overall purpose of the CERT obligation remains the same – to help consumers in the household sector reduce the carbon impact of their home by using energy more efficiently, reducing consumption and using energy from microgeneration sources.

The amendments focus on increasing the overall target by 20 per cent, providing new incentives for further loft installation measures, encouraging promotion of real time display devices and energy-related advice, increasing the proportion of a suppliers' obligation that can be met through innovation activity, and enhancing existing reporting arrangements.

Elements remaining unchanged are the 40 per cent priority group and flexibility element, key administrative arrangements including notification and approval of qualifying actions, eligible fuel types, transfer arrangements, the threshold below which a supplier does not fall under CERT obligations and enforcement provisions.

The consultation only relates to the proposed changes to the current CERT order which ends in April 2011. However, to provide certainty for future planning, the Government proposes to continue with a measures-based CERT obligation until

December 2012 with an energy supplier target at least equivalent to that under CERT, including the 20 per cent increase.

Proposed amendments

1. Increase overall CERT target by 20 per cent, to 185 million lifetime tonnes carbon dioxide:

- Additional savings of 31 million lifetime tonnes carbon dioxide over the period 1 April 2008 to 31 March 2011 achieving an ongoing benefit to householders of approximately £35 per year in terms of lower energy bills or increased comfort.
- Measures carried over from previous Energy Efficiency Commitment ensure the cost is balanced by benefits to consumers.
- This will apply pro-rata to the absolute scale of the priority group target. Supplier expenditure on the priority group is therefore estimated to increase to nearly 60 per cent of their total expenditure).

2. New incentives to encourage professionally installed top-up and DIY loft insulation:

- 50 per cent uplift for professionally installed loft top-up insulation (where there is 60mm or more existing insulation).
- 100 per cent uplift for professionally installed loft top-up insulation (where there is 60mm or more existing insulation) in the priority group.
- 50 per cent uplift for all forms of DIY loft insulation.
- All uplifts will be applied to the current carbon score for loft insulation and would apply only to eligible loft insulation installed after 11 September 2008.
- As these uplifts reduce carbon savings generated by CERT, other uplifts will be capped to limit potential losses overall. Feedback on whether loft insulation should be limited to a

maximum percentage of a supplier's obligation is welcomed.

3. Encourage energy suppliers to promote Real Time Display (RTD) devices and provide energy-related advice with pre-determined carbon scores:

Real Time Display (RTD) devices:

- Enables immediate provision of displays by suppliers, saving individual trial and administration costs and stimulating the market in advance of smart meter roll-out in 2020.
- Mains powered RTDs will achieve a higher carbon score than battery powered devices due to their higher usage capacity.
- Displays with additional attributes eg more detailed information and PC compatibility could result in greater consumer engagement, higher energy savings and potentially higher scores.

Home Energy Advice (HEA):

- Criteria include: information and face-to-face advice to consumers on the energy saving potential of the property, advice on energy and carbon reduction actions and behaviour, advice specific to householder circumstances and a personalised property report to be delivered by a suitably qualified advisor.
- These measures satisfy the relevant criteria for innovation measures in the existing Order, qualifying as market transformation measures (subject to a 10 per cent cap mentioned below).

4. Raise the innovation cap from 6 to 10 per cent for demonstration or market transformation activities:

- Maximum cap of 12 per cent as 2 per cent microgeneration element is unchanged.
- Enhances scope for rapid deployment of behavioural measures by assigning fixed carbon scores within the CERT order. Scores represent mid-range levels of energy saving based on best evidence currently available.
- Qualifying actions are eligible for an additional 50 per cent uplift.

5. Enhance existing reporting arrangements:

- Proposals include the improvement of information on the finer temporal and spatial delivery throughout the programme through voluntary reporting, in compliance with legal requirements and good practice on disclosure of data and confidentiality. The consultation includes provision for a regulatory approach

Longer term context

Proposed changes cover the current period from April 2008 to March 2011. In accordance with the 2006 Energy Review and the 2007 Energy White Paper, an obligation on household energy suppliers will continue beyond CERT, at a level at least as ambitious as CERT, with the possibility to shift from a measures-based approach to an outcomes-based approach.

The proposed Heat and Energy Savings Strategy will come into effect in December 2012 and it is proposed to continue with a measures-based CERT obligation until this time, to at least the same level as the current CERT +20 obligation. Also proposed is to carry over all excess CERT measures into the post-2011 period with at least their current carbon score.

Proposals for CERT post-2011 will be delivered through a new or amended CERT Order to take account of the evolving policy landscape. A consultation will follow in 2010.

Further information

The full consultation is available at:

www.decc.gov.uk/en/content/cms/consultations/op/en/cert/cert.aspx.

The Energy Saving Trust offers a free enquiries service via our dedicated Practical help team - the team will undertake to answer any query regarding sustainable energy or sustainable road transport within a maximum of three working days.

Abbreviations used

CERT Carbon Emissions Reduction Target
HEA Home Energy Advice
RTD Real Time Display

At the time of publication and to the best of our knowledge, the information contained in this briefing note was correct. This briefing note was published in March 2009.

Practical help cannot vouch for any of the organisations involved.

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