London Assembly's Scrutiny of the Mayor's Draft Energy Strategy

Response to Consultation by

Jean Lambert, MEP
(Green Party, London region)

Office of Jean Lambert MEP
Suite 58, The Hop Exchange
24 Southwark Street
London, SE1 1TY
Tel: 00 44 (0)20 7407 6269
Fax: 00 44 (0)20 7234 0183
Email: jeanlambert@greenmeps.org.uk
Webaddress: www.jeanlambertmep.org.uk

Contents

Executive Summary

The Mayor's Energy Strategy is a welcome attempt to address London's contribution to climate change. However, in its current form, this strategy will not deliver the reductions in CO2 emissions that are needed if London is to play its role in averting climate change. Whilst very definitely a national problem, climate change needs to be addressed by radically reducing our need for energy by energy conservation measures in the short & medium term but also by looking beyond and seeking to reorganise our economy and built environment.

It is clear, therefore, the Mayor also needs to ensure that his other strategies, in particular the Spatial Development Strategy (SDS), do not undermine the objectives of this energy strategy and ultimately undermine the ability of London to fulfil its national and international obligations to combat climate change.

The Mayor's opposition to further nuclear capacity in the UK is welcome; it would be useful for the Mayor to unequivocally state he sees no role for nuclear power in the long term in the UK.

I have reviewed the Mayor's proposals from my perspective as Green Member of the European Parliament for London. The majority of my proposals are therefore related to aspects of policy and initiatives on the regional level. I would refer the scrutiny committee to the response written by the environmental adviser to the Mayor, himself an elected Green, for the London specific detail.

My key recommendations are as follows:

- *In seeking to demonstrate the Mayor's ability to match London's international obligations, each of the Mayor's proposals should be published with reference made to the relevant European target or policy agenda that it is aiming to meet.*

- *The UK Government has set aspiration targets for CO2 emissions reductions that are higher than the EU targets. London should at least aim for EU targets and for the UK targets where they are higher.*

- *London is already a member of the European Sustainable Cities & Towns Campaign, although its membership is not an active one. Commitment to playing a leading role in such networks should be stated clearly in the Strategy's "Setting the direction of change" and in Section 7: "Making it happen: Policies and proposals for acting together".*

- *Simultaneous to the deployment of PV and CHP technologies in London, resources must be allocated for the education of energy users about ways in which energy consumption can decrease across London. There must be a drive by all agencies to impress upon energy users the absolute need for energy demand and consumption to reduce.*

- *A section of the report should be allocated for this subject area – energy reduction – alone, emphasising London's vision for reducing energy use over the next 10 years. Resources also should be earmarked for the necessary education required for energy users. Section 3.2 and 3.3 of this report offer two case studies (Berlin and Bologna). In their respective energy strategies, the need for "energy awareness" was identified as a precondition for the implementation of any emissions reduction policy.*

- *That the Mayor's Strategy incorporates the four characteristics of the Berlin ENERGY CONCEPT, namely; it prioritises the aspect of user "energy awareness"; it considers a balance between the city responsibilities and local district participation; energy saving measures are linked to fiscal and timebound targets; and that it is supported by a developed action programme.*

- *The Mayor needs to ensure that in looking to solar power he gives at least equal weight to the use of solar-powered water heating as well as photo-voltaics.*

- *The Mayor should learn from the experiences of other major urban conurbations in their creation of workable, **yet ambitious**, targets with key stakeholders. If the ownership of target setting is in partnership with stakeholders (such as builders, companies specialising in renewable energy technologies, investment companies) those targets are more likely to be met.*

- *Establishing targets for the rollout of renewable energy technologies must be fast-tracked in 2002. All targets must be time bound and published with a clear action programme including a schedule of performance indicators.*

- *The Strategy should make reference to the funding initiatives that are available for renewables through the European Commission's Fifth and Sixth Environmental Programmes.*

1.0 Energy requirements as presented in the Commission's Sixth Environment Programme

The key priority for the European Commission's Sixth Environment Action Programme is the ratification and implementation of the Kyoto Protocol. The targets established in the Programme are:

Short to medium term:
- Reduce greenhouse gas emissions by 8% compared with 1990 levels by 2008-12 (as agreed at Kyoto);
- Renewable energy sources to provide 12% of electricity production by 2010;
- Combined heat and power supply should provide 18% of electricity supply by 2010.
- Energy demand management should shape the core element of all energy policy.

Longer term
- Reduce global emissions even further by approximately 20-40% on 1990 levels by 2020;

To achieve this they intend to:
- Implement the Kyoto Protocol;
- Set specific objectives for cutting greenhouse gas emissions in the main economic sectors;
- Establish a scheme for 'trading' greenhouse gas emissions within the European Union by 2005;
- Support renewable energy sources, such as wind and solar power;
- Help Member States to prepare for the consequences of climate change.

RECOMMENDATION 1:

In seeking to demonstrate the Mayor's ability to match London's international obligations, each of the Mayor's proposals should be published with reference made to the relevant European target or policy agenda that it is aiming to meet.

The UK Government has set aspiration targets for CO2 emissions reductions that are higher than the EU targets. London should at least aim for EU targets and for the UK targets where they are higher.

2.0 Accessing European knowledge forums in the development of energy strategies

London's Energy Strategy should be able to capitalise on the experiences of other urban giants in the European Union. It should be able learn from the mistakes of others and transfer the knowledge contained in successful initiatives.

In order to do this, London should engage actively with the thriving sustainability networks that exist in Europe for the primary purpose of knowledge sharing and technology transfer.

RECOMMENDATION 2:

London is already a member of the European Sustainable Cities & Towns Campaign, although its membership is not an active one. Commitment to playing a leading role in such networks should be stated clearly in the Strategy's "Setting the direction of change" and in Section 7: "Making it happen: Policies and proposals for acting together".

2.1 European Sustainable Cities & Towns Campaign

http://www.sustainable-cities.org/home.html

The European Sustainable Cities & Towns Campaign is financed and managed by the European Commission's Directorate-General on the Environment. It is designed to support the transfer of knowledge and exchange of experience in the field of urban sustainability and Local Agenda 21 in Europe, thereby helping implement the concept of sustainable development. It also fosters dialogue and the exchange of experience by providing opportunities for interactive communication between local authorities, networks and other organisations through the European Partner Search Mechanism and the many links.

CONTACT:
Mr. Anthony Payne, Campaign Co-ordinator & Head of Office
European Sustainable Cities & Towns Campaign
Rue de Trèves/Trierstraat 49-51 box 3, B - 1040 Brussels
Tel: +32 2 230 53 51 Fax: +32 2 230 88 50
E-mail: campaign.anthony@skynet.be

2.2 Energie-Cites

http://www.energie-cites.org/

Energie-Cités is an association of European local authorities, mainly municipalities. (Southwark Council is already a member of the network). One of the aims of the association is to provide its members with information on the promotion of sustainable local energy policies. The network extends over 20 European countries and includes about 100 municipalities, the majority having between 100,000 and 300,000 inhabitants.

Energie-Cités was created in 1990 by several European Union municipalities involved in a community funded project. Formally constituted as an association in 1994, Energie-Cités includes municipalities and inter-municipal structures, local energy management agencies, municipal companies and groups of municipalities as members. The association is run by a Board composed of 11 municipalities.

Based in Besançon (France) and represented in Brussels, Energie-Cités provides expert advice to municipalities, associations of cities, ministries, European institutions and private partners. The association is involved in a number of national and European projects and provides assistance in defining energy strategies.

Energie-Cités objectives:

- To strengthen the role and powers of municipalities in the energy sphere, and naturally in the sphere of energy efficiency, renewable energy and protection of the environment,
- To promote debate on the EU's policy in the field of energy, environment and urban policy and to present the municipal point of view,
- To develop municipal initiatives through the exchange of experience, the transfer of know-how and the organisation of joint projects.

CONTACT
Christiane MAURER, Project Manager
Energie-Citie
2, chemin de Palente, F-25000 Besançon, FRANCE
Tel: +33 3 81 65 36 80 Fax: +33 3 81 50 73 51
Email: cmaurer@energie-cites.org

2.3 The International Council for Local Environmental Initiatives (ICLEI)

http://www.iclei.org/europe

ICLEI (The International Council for Local Environmental Initiatives) is the international environmental agency for local governments. Its mission is to build and serve a worldwide movement of local governments to achieve tangible improvements in global environmental and sustainable development conditions through cumulative local actions.

More than 400 cities, towns, counties, and their associations from around the world are full Members of the Council, with hundreds of additional local governments participating in specific ICLEI campaigns and projects. As a movement, association, and agency, ICLEI continues to work towards its environmental and sustainable development goals.

Cities for Climate Protection (CCP)

Cities for Climate Protection (CCP) is a campaign of ICLEI. The CCP is a performance-oriented campaign that offers a framework for local governments to develop a strategic agenda to reduce global warming and air pollution emissions, with the benefit of improving community liveability. Five hundred local governments are participating the Campaign, representing 8% of global greenhouse gas emissions, and the numbers are growing.

CONTACT:
Cities for Climate Protection (CCP)
European Secretariat, Eschholzstrasse 86
D-79115 Freiburg, Germany
Phone: 49-761-36892-0 Fax: 49-761-36892-19
Email: iclei-europe@iclei-europe.org

3.0 Promoting energy reduction

The European Commission's Sixth Environment Action Programme states *"Energy demand management will be a core element of energy policy".*

The Commission also commits in *Towards a European Climate Change Programme (ECCP) (*COM(2000)88) to the following priorities for policy making in the domestic and tertiary sector:

- Public procurement of energy-efficient end-use technologies
- Energy audits and heating performance certificates
- Improvement of building/lighting performances
- Building design and infrastructure planning

It was heartening, to see that the foundation stone of the Mayor's Energy hierarchy is a commitment to the promotion of energy efficiency.

However, there are two sides to energy demand management and the Draft Energy Strategy currently only commits resources to the promotion of one of these: increasing energy efficiency. The second element to demand management is the reduction of energy usage and this has not been highlighted in the strategy or supported by robust policy proposals.

RECOMMENDATION 3:

Simultaneous to the deployment of PV and CHP technologies in London, resources must be allocated for the education of energy users about ways in which energy consumption can decrease across London. There must be a drive by all agencies to impress upon energy users the absolute need for energy demand and consumption to reduce.

A section of the report should be allocated for this subject area alone, emphasising London's vision for reducing energy use over the next 10 years. Resources also should be earmarked for the necessary education required for energy users. Section 3.2 and 3.3 of this report offer two case studies (Berlin and Bologna). In their respective energy strategies, the need for "energy awareness" was identified as a precondition for the implementation of any emissions reduction policy.

3.1 Using the PIU's Energy Policy Review

The Performance and Innovation Unit (PIU) has recently published a series of recommendations in its energy review. Although referred to in the GLA's draft energy strategy in the background section, the recommendations have not been audited, nor linked explicitly with the proposals. In particular, I would highlight the following recommendations as calling for specific policy instruments and initiatives to be developed within the Mayor's proposals:

- *Innovation needs to play a central role in meeting the low carbon future.*

- *In setting future energy policy, the guiding policy principle should be sustainable development, requiring the achievement of economic, environmental and social objectives.*

- *Energy efficiency should be prioritised at the highest levels of government and a new aspirational target set for improvements in domestic energy efficiency.*

- *Innovation [is a key priority], including in energy saving. If the UK can focus on technical challenges – like the challenge of improving efficiency in older homes – then we may make some real breakthroughs. These are potentially major new opportunities for British business;*

- *The renewables programme needs to be reaffirmed and Government needs to be sure that it has in place all the mechanisms needed to meet the targets set for 2010. Some institutional barriers still need to be removed. Thereafter a further target of 20% for 2020 is needed;*

- *Three institutional barriers to renewables have been identified in this review: the treatment of small and intermittent generators in NETA; the need for new approaches to charging for and running, local electricity distribution networks; and the workings of the planning system. An immediate task should be to monitor progress in removing these barriers.*

Performance and Innovation Unit (Cabinet Office 2002)

The workings of the planning system in the last bullet point is of especial relevance to London.

3.2 Berlin's Energy Concept

Berlin has a population of 3.5 million. The main authority for the City is the Senat which is divided into different administrative departments. In 1994 the Berlin Government adopted an action plan designed to achieve a reduction of CO2 emissions by 25%. The **Berlin Energy Concept** has been chosen as an example of good practice for the following reasons:

- it prioritises the aspect of user "energy awareness";
- it considers a balance between the city responsibilities and local district participation;
- energy saving measures are linked to fiscal and timebound targets;
- the Energy Concept is supported by a developed action programme.

RECOMMENDATION 4:

That the Mayor's Energy Strategy incorporates the four characteristics of the Berlin ENERGY CONCEPT, namely; it prioritises the aspect of user "energy awareness";
it considers a balance between the city responsibilities and local district participation;
energy saving measures are linked to fiscal and timebound targets; that it is supported by a developed action programme.

What is the energy situation in Berlin?

1. Berlin has a policy of being ***self-sufficient***, and of having tough ***environmental standards****;*

2. It is necessary for local energy policy in West Berlin to focus on maximising resources and avoiding waste. Incentives have been given to the roll-out of ***CHP*** and to ***district heating***;

3. The importance of ***energy efficiency*** has been traditionally strong in West Berlin and has been supported by pilot projects in urban renewal, and ecological modernisation programmes in the industrial and commercial sectors.

Actors and Structures

An important actor in the administrative network on energy-related responsibilities is the ***Energy Task Force***. It has the aim of co-ordinating cross-departmental policy and activity on energy production and consumption. Its objectives are:

- to encourage conservative consumption of energy;
- to increase the proportion of energy produced from renewable energy sources;
- to augment energy conservation.

The Task Force has the power to initiate pilot projects and district energy policies, and to conduct energy audits. The Task Force also set up an advisory committee, ***the Council on Energy***, which offers a forum for NGOs, trades unions, energy utilities etc. to discuss energy policy issues and to recruit consultancy.

The Berlin Energy Agency was set up to advise businesses, public authorities and non-profit organisations on energy conservation, on modernisation and efficiency, on ecological building methods, and energy-efficient plants. The agency identifies areas where energy can be saved as well as mobilising investment in new initiatives. The agency is independent and does not affect competition.

The foundation stones of the Berlin Energy Contact

1. Energy awareness

Energy awareness is the most important precondition for an energy savings policy. The Energy Task Force established a ***practice-based information service*** offering support to target groups. This campaign included a training package for interests groups (e.g. on low energy dwellings), and school projects on energy saving**.** The Task Force established a ***working group with the Berlin Universities*** to capitalise on their research into climate protection.

2. Energy saving in existing housing and in new housing construction

Energy saving in residential areas is a key issues of the Energy Concept. The target they set was to reduce CO2 emissions from houses by 35% by the year 2010. Reconstruction programmes, amounting to 5 billion DM, have already contributed to achieving this through their modernisation programme for older housing in Berlin. The modernisation of heating systems has been subsidised. The programmes have shown that energy consumption and CO2 emissions can be reduced by approximately one third. However, they also showed that substituting central heating systems for lignite fired stand-alone heaters does not automatically reduce emissions, and that publicly financed redevelopment alone does not, in the long-term, attain the targets set out in the energy concept.

3. Energy saving in public institutions

The public authorities must set an example in energy saving. The Berlin government extended its "3% resolution", which meant 3%+ cut in energy expenditure. In its procurement of environmentally compatible products the government also demanded that energy saving was to be included as a criteria for purchase, and preference was given to such products.

4. Energy saving in the trade and industry sector

Energy saving measures in the trade and industry sector are encouraged through information services and supporting programmes*.* Special attention is given to SMEs. Funding is provided by the Environmental Improvement Programme (see point 7).

5. Energy saving in transport

In the area of transport the first goal is to avoid unnecessary traffic. Priority is given to rail transport (2 billion DM per year for 10 years was earmarked for rail infrastructure investment). However, cars continue to be an important factor for CO2 emissions. In order to limit car emissions in Berlin, the Government is trying to promote environmentally friendly modes by the following:

- Parking space management introduced in the two city centres;
- Bicycle usage promoted by extending existing cycle track network;
- Ministries to support car-sharing schemes (e.g. leasing of parking space, advertisement in public transport);
- The inner city not accessible for cars without a three-way catalytic converter;
- Urban planning to ensure a mix of the functions housing, work, shopping, and leisure (this has a long-established tradition in Berlin);
- Five new estates to be built for living without a car.

6. Energy saving in energy supply

Modernising electricity, gas and district heating networks is another basic precondition for offering new energy services. Total investments in existing Berlin networks amount to 300 million DM.

7. Renewable energies

Berlin's contribution to promoting solar energy includes:

- Wide ranging provision of ***information and support;***
- ***Pro- solar legislation;***
- Promotion of ***pilot projects;***
- Financial support for the ***German Society for Solar Energy*** to provide small and medium enterprises (SMEs)an advisory service;
- SMEs receiving up to ***50% of their investment*** in solar technology from the Environmental Protection Programme;
- Environmental Improvement Programme offering up to ***5.5 million DM*** in 1995 and 6.5 million DM in 1996.

Abstracted from The European Academy of the Urban Environment website http://www.eaue.de/

3.3 Bologna's Demand Management Initiatives

http://europa.eu.int/comm/energy/en/renewable/idae_site/deploy/prj010/prj010_1.html

Bologna is a Northern Italian city with almost 400,000 inhabitants. It is at the forefront of several international low carbon initiatives including *City for Climate Protection*. This position has enabled Bologna to reach certain milestones:

- It conducted a thorough audit of energy consumption: Bologna Energy Study
- It engaged with the ICLEI CO2 reduction project (see section 2.3)
- It has adopted the Aalborg Charter
- It initiated an Urban CO2 reduction project
- It joined the ICLEI project on renewable energies and energy efficiency (see section 2.3)

Problems identified by the audit of energy consumption:

- Renewable sources of energy only have limited use within a city's compact geographic boundaries
- The city is an expanding area and is subject to dynamic growth
- Energy is predominantly supplied from "outside" of the city.

The conclusion that Bologna's planners came to was that planning for the reduction of CO2 emissions must come ***through the management of demand and not supply***. Their chosen form of action, therefore, was the creation of plans and campaigns targeted for Users not Providers. Planning to reduce emissions must be integrated at every level of municipal policy to maximise efficiency.

Initiatives created:

- ***The Assessment of the Environmental Impact Studies*** - or "ValSIA" in Italian – is a voluntary procedure to apply EIA at urban level. "ValSIA" is required not only for large public and private development projects, but also for public and private strategic and development planning**.** ***It was built on basis of agreement with builders associations*****.** It impacts both public and private plans and is applied to all urban planning projects.

- BRICK – Building regulation Innovation – has shaped building regulations with energy conservation as the main priority.

- Economic incentives for energy efficient building projects and modernisation of older buildings.

- Wind power plant for city and landfill production of biogas.

- Campaign on efficient lighting, domestic appliances, and heat production in houses.

- New public transport infrastructures.

- Show room for promotion of energy saving.

4.0 Fast-tracking target setting for use of PVs and renewables in London

I welcome the commitment by the Mayor to the rolling out of PV technology in London.

As the strategy states, the European Commission's indicative target for 2010 for the whole of the EU is 22% for electricity to be produced from renewable energy sources. This includes a burden-sharing process in which every country has a different percentage – for the UK this would be 10% in 2010.

In reference to point 6.85: *"As part of a renewables target for London, the Mayor expects a specific target to be set for photovoltaics and solar water heating systems",* this commitment must be secured with specific, ambitious yet achievable targets – and these targets should be established through stakeholder dialogue by the end of 2002.

RECOMMENDATION 5:

The Mayor should learn from the experiences of other major urban conurbations in their creation of workable, yet ambitious, targets with key stakeholders. If the ownership of target setting is in partnership with stakeholders (such as builders, companies specialising in renewable energy technologies, investment companies) those targets are more likely to be met.

RECOMMENDATION 6:

Establishing targets for the roll-out of renewable energy technologies must be fast-tracked in 2002. All targets must be time bound and published with a supporting performance indicator framework.

4.1 European Commission Funding for Renewables

In 1997, the Commission set out a comprehensive Strategy and Action Plan to achieve an ambitious goal - doubling the renewables' share of the EU's total energy supply, from 6% to 12%, by 2010.

THE CAMPAIGN FOR TAKE-OFF

The Campaign for Take-Off sets out a framework for action to highlight investment opportunities and attract the necessary private funding which is expected to make up the lion's share of the capital required to promote the development of renewable energy sources. The Campaign also seeks to encourage public spending to focus on the key sectors, and, in the process, to complement a trigger private investment.

More information on the Campaign for Take-off can be found at
http://europa.eu.int/comm/energy/en/ctore.htm

THE "RENEWABLE ENERGY PARTNERSHIP" – INVOLVING ACTORS IN THE CAMPAIGN

To encourage the commitment of energy stakeholder groups, the concept of a "Renewable Energy Partnership" between the Commission on the one hand and public authorities, industries and/or associations on the other, has been launched. Members of such Partnerships will, within the scope of their responsibilities and possibilities, join and promote the Campaign and contribute to the fulfilment of its objectives.

More information on the Renewable Energy Partnership and Campaign for Take-Off Awards can be found at http://europa.eu.int/comm/energy/en/pfs_altener_en.html.

THE ALTENER PROGRAMME

The overall aim of the ALTENER programme is to make a contribution to increasing use and market share of Renewable Energy Sources, which are environmentally sustainable and constitute a major component of the Community strategy to abate greenhouse gas emissions.

ALTENER's specific objectives are :

- To implement and complement EU measures designed to develop the renewable energy resource potential.
- To encourage harmonisation of products and equipment in the renewable energy market.
- To support pilot actions on infrastructures that will increase investor confidence, stimulate the take-up of renewable energy technologies and improve their competitiveness.
- To improve information dissemination and co-ordination at the international, EU, national, regional and local level, thereby increasing investor confidence and market penetration.
- To support targeted actions designed to speed up investment in renewable energy technologies and to increase operational capacity for energy production from renewable energy sources.
- To implement the EU renewable energy strategy.

RECOMMENDATION 7:

The Strategy should make reference to the funding initiatives that are available for renewables through the European Commission's Fifth and Sixth Environmental Programmes.

Conclusion

Given the Mayor's commitment to London as a European and a world city, it is important that the international dimension is reflected in the Energy Strategy.

The EU is an important contributor to the debate and policy development in respect of climate change and renewable energy. Its inter-city networks are influential in the spread of best practice and London should be playing an active role in these.

The major cities of this century will be measured by the contribution they make to global sustainability: they have to reduce their ecological footprint and thus their impact on the resources of the world's poorer nations and their future development opportunities.

The old concept of the big cities being the places which suck in resources has to change. London has the opportunity to make a significant difference and should join its European neighbours in leading the change.