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MEETING THE RECOMMENDATIONS OF THE WWF ENERGY REPORT IN THE UK

How the UK's domestic targets and policies can help in the move to a 100 per cent renewable energy future.

CLEAN ENERGY: Promote only most efficient products and grow existing and innovative renewable energy sources to provide sufficient clean energy for all by 2050.

A priority for the UK's ongoing electricity market reform must be to support a move towards a near-decarbonised power sector by 2030. The UK has huge potential renewable energy resources, particularly in the marine environment – tapping into these offers tremendous potential for new green industries.

Progress has been made with the Government recently recognising that decarbonising the power sector over the next 2 decades is important but the Government's ambitions for renewables beyond 2020 are still very unclear.

In 2011, WWF wants to see the electricity market reform deliver a new electricity market, which will have the development of a near-decarbonised power sector relying mainly on renewables as a key objective. Three key outputs from Electricity Market Reform should be:

(i) the introduction of a strong emissions performance standard. WWF is disappointed by current government proposals to introduce a watered down emissions performance standard at either 600gCO₂/Kwh or at a level of 450gCO₂/Kwh that would not apply to plants qualifying under the CCS demonstration programme.

(ii) the introduction of stable long-term financial incentives for renewables, which will improve investment certainty for renewables and help boost the UK's renewable energy industry.

(iii) no support or implicit or explicit subsidy for new nuclear power, which will crowd out the potential for renewable energy. At present, the government's proposals amount to a substantial hidden subsidy for nuclear.



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GRIDS: Share and exchange clean energy through grids and trade sustainable energy, making best use of geographic diversity.

In the UK, this means putting in place a co-ordinated offshore grid, whereby groups of neighbouring offshore renewable energy projects (such as offshore wind farms) are connected together to the onshore grid rather than being connected separately. A co-ordinated offshore grid will make it easier to then connect the UK with other European grids, whilst making the development of the UK's offshore grid cheaper for consumers and more environmentally sustainable.

Progress has been made recently with the latest offshore transmission consultation acknowledging that there might be some merit in seeking to develop the UK's offshore grid in a more co-ordinated manner but also with the UK being one of 10 European states signing on to the North Sea Offshore Grid Initiative on 3 December 2010.

In 2011, WWF wants to see progress in 3 key areas:

- (i) The development of a co-ordinated offshore grid should become one of the central objectives of the government's offshore transmission regime, which is to be finalised this year;
- (ii) The UK needs to take a leading role as part of the North Sea Grid Initiative, to ensure that a clear workplan is put in place in 2011 to deliver clear rules and timed objectives for the rapid construction of a North Sea grid.
- (iii) As part of the upcoming EU Budget Reform, the EU should look at developing strategic inter-connection links between the EU's major national grids

ACCESS: End energy poverty, provide clean electricity and sustainable practices such as efficient cook stoves to all in developing countries.

This should be a key priority for the UK's Department for International Development. Notably, the UK should use its role as a major donor to the World Bank to press for fundamental reform of the Bank's energy lending policies so that it focuses overwhelmingly on provision of sustainable energy to the poor and moves away from its historic support for large scale, and often fossil fuel-based, energy projects.

ENERGY CONSERVATION– Doing more with less energy

In the UK, the proposed 'Green Deal' to help householders undertake energy efficiency retrofits is a major opportunity to massively decrease the energy wasted through inefficient housing stock.

In 2011, WWF is calling on the government to:

- (i) Ensure there is a clear level of ambition for the Green Deal that contributes sufficiently towards the UK meeting its carbon budgets and provides certainty to businesses and investors.
- (ii) Develop a cross-departmental strategy to deliver on the ambition of the Green Deal, including financial incentives which encourage householders to take part in the scheme at the scale required.
- (iii) Set minimum energy efficiency standards for the private rented sector, to ensure the most inefficient and unhealthy homes cannot be rented, and reduce the number of households living in fuel poverty.

MONEY: Invest in renewable, clean energy and efficiency products and buildings.

The UK urgently needs to establish a Green Investment Bank (GIB) to raise finance for renewable energy and energy efficiency. The GIB will be able to leverage its capital and reduce risk on investment to help generate the huge levels of private finance required to decarbonise the UK's energy system. This will remove barriers to large institutional investors, lower the cost of loans for millions of Green Deal home energy efficiency improvements and limit the cost of energy bills.

£450 billion of investment in energy supply and demand measures is needed by 2025. The money is there in the £4 trillion of funds under management in the UK, but traditional investors alone are only likely to raise up to £80 billion.

To fill this funding gap the UK needs a GIB that is established by statute, with £4-6 billion of capital by 2015, with the ability to issue bonds. This is an urgent priority because any delay makes it much harder to generate enough investment in the timescale required.

FOOD: Stop food waste and choose food that is sourced in an efficient and durable way to free up land for nature, sustainable forestry, and biofuel production. Protein needs have to be covered for everyone, for wealthier people this means a reduction of meat consumption.

The UK government must develop a detailed action plan, following its 2030 food strategy, to reduce greenhouse gas emissions and other environmental impacts of food consumption. WWF's *How Low Can We Go?* report (2010) demonstrated the need for a combination of approaches to reduce emissions from the food system. These include not only decarbonisation of the general economy, agricultural production efficiencies, reductions in food waste and nitrous oxide and methane emissions abatement, but also changes in the type of foods we consume, including a move towards more sustainable diets, containing more plant based products and less meat based products.

In 2011 WWF are calling on the government to:

- (i) Develop a detailed roadmap aimed at reducing GHG emissions from UK food supply chain by at least 25% by 2020 and at least 70% by 2050, based on 1990 levels.
- (ii) Commit to significantly reducing the amount of food waste - 40% of food in the UK ends up in the bin or in landfill.
- (iii) Lead on defining the key principles of a sustainable diet, in partnership with the food industry and other civil society organisations.

In addition, UK Government, business and industry and consumers should commit to a target of 15-20% reduction in meat consumption by 2020 whilst facilitating an industry wide dialogue and the development of a strategy by which steps would be taken to improve the sustainability of livestock farming and consumption.

TRANSPORT: Incentivise move to more public and overall less transport of goods and persons, promote electrification wherever possible and support research on renewable hydrogen for shipping and aviation.

In the UK this means supporting tougher EU legislation for conventional vehicle emissions and the rapid roll-out of electric vehicles (EVs) to replace petrol/diesel vehicles, ensuring that these will be powered by a decarbonised grid. According to new WWF research, at least 1.7 million EVs will be needed by 2020 and 6.4 million by 2030 in order to achieve our climate change targets. Capital grant funding and investment in charging infrastructure, such as expansion of

the Plugged-in Places scheme, are needed to stimulate the market and ensure the rapid ramp up of Evs.

Demand management measures, such as an increase in fuel duty, more toll roads and congestion charging, are needed to reduce car kms and emissions. Greater support for walking and cycling, car sharing and more attractive public transport options will also help to reduce the need for private car travel.

Progress has been made in the consideration of aviation and shipping emissions within national carbon budgets and their inclusion within 2050 targets, as mandated in the Climate Change Act. There has also been acknowledgement that capacity constraints for aviation will be needed to achieve these targets, with the encouragement of modal shift, for example from plane to High Speed Rail, and alternatives to travel such as videoconferencing.

In 2011 WWF would like to see Government take further positive actions to demonstrate its commitment to making 2011 the Year of the Electric Car, such as extending capital grant funding for Evs beyond 2012. We would also like to see climate change at the heart of new UK aviation policy which is starting to be formulated this year.

SUSTAINABILITY: Use strict criteria to ensure that renewable energy is compatible with environmental and development goals.

In the UK, this means ensuring that any use of bioenergy is from sustainable sources and is directed to the sectors of the economy that need it most.

Progress has been made recently with some companies recognising the importance of sourcing bioenergy from sustainable sources. However, considerable progress needs to be made to put in place a clear mandatory certification system for what constitutes sustainable bioenergy. Equally important is to develop a strategic approach to bioenergy to ensure that its use is prioritised for those sectors of the economy that need limited resource most (for instance, there are fewer alternatives to bioenergy in the aviation and long-haul freight sectors than in the power sector, where other forms of renewable energy are available).

In 2011, as part of the electricity market reform and the government's ongoing work on the 2050 Pathway Analysis, WWF wants to see clear proposals for a strong mandatory certification system for sustainable bioenergy as well as a clear steer from government as to how the use of sustainable bioenergy should be divided between the different sectors of the economy.

AGREEMENTS: Support ambitious climate and energy agreements to provide global guidance for sharing renewable energy and efficiency efforts.

The UK should continue to play a progressive role in the international climate change arena. It must work even harder, partnering with other progressive countries, to secure a fair, ambitious and binding international agreement under the UNFCCC as soon as possible. It should also champion innovative sources of finance, such as levies on international aviation and shipping, to support climate change action in developing countries.

The UK should also continue to push for the EU to swiftly move to a more ambitious emission reduction target of at least 30% below 1990 levels by 2020. This target should be met through domestic action rather than offsetting – providing a clear foundation for the clean energy transition in the UK and Europe.

The UK should also actively promote the UK and Scottish Climate Change Acts as models that should be adopted by other developed countries. These Acts set out long-term frameworks to guide the transition to a zero-carbon economy by the middle of the century, and give confidence to investors – and other countries – that the regulatory framework is robust and here to stay.