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Parliamentary Briefing

Warm homes, not warm words: How the UK can move to a low carbon heat system

January 2015

Introduction

Heating homes and offices generates around a third of all greenhouse gas emissions in the UK. Although the Government's 2013 strategy acknowledges the need to reduce emissions from heat, it does not set any clear targets for deployment of technologies or supporting policies that could drive action on low carbon heat. Creating a road map and policy framework is necessary to drive the transition to a low carbon heat system. Such a system, UK-wide, would reduce emissions and help us to reach our 2030 emission targets, increase the UK's energy security and would also assist homes and businesses in lowering their energy bills.

Report Context

In order to understand better low carbon heat technologies WWF commissioned Verco (an energy and sustainability advisory service) to produce a report that would determine the barriers to low carbon heat and allow us to develop solutions. Verco used computer modelling to establish the number and types of technologies that we would need to install to meet the Committee on Climate Change's (CCC's) carbon budgets in 2030. These figures were developed to be illustrative rather than prescriptive. The idea was to articulate clearly the scale of the challenge in terms that people could relate to.

The second stage of the report process involved assembling a round table of experts and stakeholders to enable a co-operative, critical evaluation of where the heat sector is currently and what government, stakeholder and consumer changes would need to be in place to facilitate a low carbon transition. From this, WWF has highlighted a number of priority actions and high level policy recommendations to form a vision of what is required to deliver low carbon heat in our homes and businesses.

WWF recommendations for the next government

During the stakeholder consultations we identified three areas as key to transforming the UK's heating system. WWF calls upon the next government, of whatever party or parties, to give leadership and take action in the following areas.

1. We need to improve awareness and understanding of energy efficiency and low carbon heat technologies. The next government should advocate the long-term

environmental, economic and energy-security benefits of a low carbon heat system. Government and industry should work together to showcase the low carbon heat technologies available and ensure that there is understanding and confidence from both suppliers and consumers.

2. Assistance is required in driving forward action on low carbon heat. The next government should develop a policy framework that both requires and encourages the uptake of energy efficient and low carbon technologies through a package of incentives, regulations and awareness-raising campaigns. Specific sectors such as social housing should act early in retro-fitting buildings and homes with low carbon heating technologies and inspire others through demonstrating the possibilities.

3. Low carbon heat networks must become a national infrastructure priority. Local heat networks are already being rolled out and these should be supported and expanded to create a comprehensive national heat network over the next 15 years.
The next government should continue and expand its Heat Network Delivery Unit, focusing on leadership through a coherent national heat network plan. Working with local government and stakeholders, it should put together clear systems of governance that will accommodate the rapid transition to national heat networks.

4. To tackle the issue of up-front investment, low cost finance should be available to leverage equity and debt funding from public and private source,s including the European Investment Bank and the Green Investment Bank.

Improved Energy Efficiency

In the UK, the buildings we pay to heat are generally very inefficient. This has resulted in families and businesses wasting money and energy ensuring their homes and offices are an adequate temperature.

There is huge potential to improve energy efficiency in UK homes. The average UK home currently has an energy performance rating in band D (within a scale rating from A down to G); if this was improved to a band B it would substantially lessen the energy demand required to heat a home.

At present only 3% of solid-wall homes have been insulated, with a further 10.3 million lofts and up to 4.5 million cavity walls still without insulation.

Improving energy efficiency is not only necessary in order to meet our current climate change targets, but also has the additional benefits of protecting those most vulnerable to fuel poverty and helping to alleviate the cost of high energy bills.

Low Carbon Heating

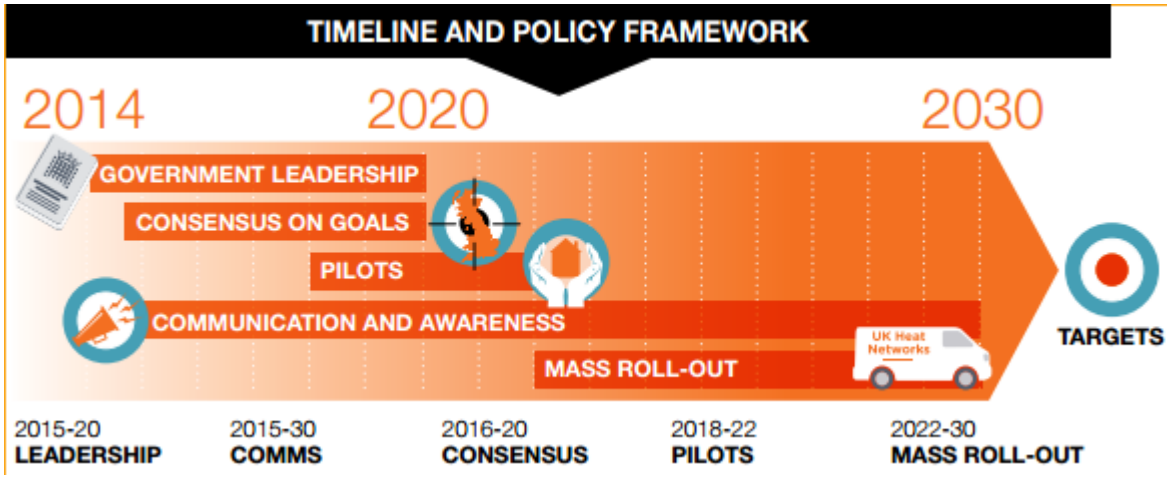
Alongside improvements in energy efficiency, we must also begin the transition from carbon intensive heating systems such as gas and oil to low carbon heat technologies.

These technologies, like heat pump systems and solar water heating systems, are currently available, but uptake is low. For example, 20,000 new heat pumps were installed last year compared to the per annum average of 1.6 million new gas boilers.

If we are to achieve the necessary number of low carbon heating systems required to meet our 2030 emission targets we must act now with a range policy interventions, incentives and stakeholder awareness campaigns.

Creating a UK roadmap to a low carbon heat system

In order to reach our 2030 targets it is vital that whatever government is in place following the General Election demonstrates leadership, vision and clarity in its policies for a low carbon heat future. Stakeholders and government should work together in communicating an information and awareness campaign that highlights the many benefits of a Great British heat refurbishment. All stakeholders should work together to agree a policy framework and define long-term targets before a mass roll-out post-2020.



The policy framework

A policy framework for a UK wide low carbon heat system should consist of policies that incentivise, enable and regulate.

Incentivise: The Government should introduce policy to assist building owners in improving standards though fiscal support and reduced implementation costs.

Enable: There should be supply side communication support to ensure all stakeholders are aware of the UK's planned transition to low carbon heat and have the means to get there.

Regulate: Regulation should be incrementally introduced to ensure a consistently improving minimum standard for low carbon heating systems.

Current barriers to progress

WWF held two round table events with 12 stakeholders to help identify what is currently impeding the transition to a low carbon heating future. Three barriers were identified during this process.

1. Historically, energy policy has been geared towards the electricity sector and environmental regulation of heating technologies has lagged behind. The new government must address this by ensuring that the transition to energy-efficient low carbon technologies is a policy priority.

2. There is an absence of consumer demand for energy efficient and low carbon technologies, driven primarily by a lack of awareness and knowledge of low carbon heat systems. Builders and home owners lack confidence in requesting new and unfamiliar technologies. so more communication and guidance is needed to drive the public demand for low carbon heating systems.

3. There is insufficient governance and planning support for the deployment of low carbon heat networks. Heat networks require long-term infrastructure and investments in order to compete with the existing energy networks.

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Date	11 February 2015