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ASSESSMENT

Elmhurst Energy Response to:

“Leading by example: cutting energy bills and carbon emissions in the wider public and higher education sectors – Call for Evidence”

In Confidence

Prepared for BEIS

5th December 2017



Domestic

Commercial

On Construction



1. Introduction

Elmhurst Energy are pleased that BEIS are seeking a call for evidence on the subject of “Leading by example: cutting energy bills and carbon emissions in the wider public and higher education sectors”.

The Call for Evidence asks a number of questions across 5 sections and we have answered all of them for which we have expertise and a view. We hope you find the responses considered and useful for taking energy efficiency agenda forward in a progressive manner.

2. Summary

Elmhurst welcomes the fact that Government realises the need for public bodies to lead by example and the importance of setting voluntary targets against which performance can be assessed

The essence of our feedback on this call for evidence is;

- 1) Elmhurst believes that if Government are going to deliver the title of the document then they truly need to "lead by example" and be within the scope of the consultation.
- 2) Government actually has an excellent tool available already in the occupancy rating that is provided with a Display Energy Certificate. Elmhurst will be arguing that by extending the need for DEC's to central government, public and higher education buildings, as well as schools, you will cost effectively
 - stimulate public interest in energy efficiency,
 - create a benchmarking tool that allows for comparisons between similar building types,
 - provide recommendations for improvement that local management can implement, and
 - provide a public demonstration of improvement in cost and carbon

Thank you for the opportunity to contribute to the debate

3. Questions and Answers

Chapter 1 Questions

1. Please rank the TOP FIVE barriers that you think prevent organisations taking action from the following list:

- lack of interest in energy efficiency
- conflicting priorities
- low capital availability
- upfront investment costs **Priority 2**
- unseen/unexpected costs
- complex decision chains **Priority 5**
- lack of time/resource **Priority 3**
- low status of energy efficiency **Priority 4**
- lack of knowledge **Priority 1**
- length of payback

Elmhurst ranking annotated above

2. Tell us about any further barriers or issues not listed above.

Elmhurst consider that the major reasons that energy efficiency initiatives do not progress is a lack of expertise to identify what can be achieved, a lack of understanding of the likely return on investment which in turn makes the investment decisions difficult to justify. Trained qualified and accredited energy assessors should be used throughout.

Poor enforcement of current Energy Performance Building Regulations has resulted in high levels of non-compliance meaning building owners are missing the opportunity to identify savings.



Chapter 2 Questions

1. If you work for a relevant organisation, would you to support and report against, a voluntary emissions target?

Not applicable

2. Please explain why

Not applicable

3. Would your organisation be able to meet a 30% emissions reduction target on 2009/10 levels by 2020/21?

Not applicable

4. If you answered NO please specify what you think is achievable? [less than 10%] [10-19%] [20-25%] [26-29%] [more than 30%]

Not applicable

5. Which organisations should be expected to meet a voluntary target. Please tick all boxes which apply:

- Local authorities
- Hospitals
- Other NHS (i.e. GP surgeries, health centres)
- Emergency services
- Further education institutions i.e. Sixth Form colleges
- Higher education institutions i.e. universities
- Leisure services i.e. swimming pools or sports centres
- Museums and libraries
- Housing Associations

All of the above plus schools and Central Government.



6. Are there any other organisations that should be expected to meet a voluntary target?

Schools and Central Government should both be required to set and meet a voluntary target for carbon savings.

Elmhurst believe that it is important that change should be led from the front and it is recommended that central government organisations should be required to set a target for improvement and have actions in place to meet it.

7. Which organisations should NOT be expected to meet a voluntary target?

None. Targets should apply to all central government, local authority and public buildings including schools, colleges and universities.

8. Please explain

Society needs a culture change when it comes to energy efficiency and if the private sector will be more willing to set their own targets and deliver on action plans (with initiatives such as ESOS) if the public sector, local authorities and central government are seen to be doing likewise, and not making excuses to avoid difficult decisions.

9.

Which non-domestic buildings should be covered by the target?

o Offices

o Retail

o Commercial

o Community, cultural or leisure

All the above plus central government buildings and schools



10. What transport arrangements used by wider public sector organisations should be covered by the target?

- o All domestic business related travel
- o Domestic business related travel: Air
- o Domestic business related travel: Fleet vehicles

All of the above

11. Are there other emissions sources that should be covered by the target, and if so why?

Certainly there is opportunity to consider embodied carbon through the procurement process, and to impose similar carbon targets on suppliers. However this is only worth considering when and if central government, local authorities and public bodies have demonstrated success in areas of which they have direct control.

12. If you work for a relevant organisation, what do you already collect and report on?

- o Fuels combustion
- o Fugitive emissions e.g. air conditioning and refrigeration leaks
- o Owned transport
- o Land based emissions
- o Process emissions e.g. waste processing
- o Consumption of purchased electricity, heat, steam and cooling
- o Transport-related activities
- o Waste disposal
- o Purchased materials and fuels
- o Sold goods and services

Not applicable

13. What data about your emissions would you be willing to provide to the Department for Business, Energy and Industrial Strategy (BEIS)?

Not applicable



14. What data about your emissions would it be difficult to collect and report on?

Not applicable

Chapter 3 Questions

1. What barriers to accessing finance do organisations face?

- Lack of capital finance
- Upfront investment costs
- Borrowing regulation or limitations
- Complex decision chains
- Capital expenditure limit
- Estate rationalisation plans

All of the above

2. Are there any additional barriers to accessing capital finance for energy efficiency?

No direct experience to comment.

3. How are public and higher education sector energy efficiency projects currently financed?

- Capital funds
- Invest to Save fund
- Public Works Loan Board
- Condition Improvement Fund
- Salix finance
- Private finance
- Public/Private Funding Combination
- Energy Performance Contracts
- European funding

No direct experience to comment.



4. What other sources of finance could be or are used energy efficiency projects?

Whilst Green Deal Finance has not yet fulfilled its potential there are still opportunities to develop a pay-as-you-save model which allows building owners to repay money borrowed from savings in future years. Government should work with the finance sector to develop such tools, providing incentives, where needed, so to pave the way for a private sector solution.

5. How should we plan to support less cost effective measures in the future (e.g. low carbon heat/generation schemes), if at all?

By ensuring the building owners and managers remain advised of the energy savings potential government should insist that each building which publicly funded building has a current Display Energy Certificate on prominent display.

Chapter 4 Questions

1. What resource barriers do you think organisations face?

- limited internal capacity to manage and deliver projects
- lack of time/resource
- lack of technical knowledge
- lack of business case development experience
- complex decision chains
- accounting or governance rules

All of the above but specifically a lack of technical knowledge and insufficient time to justify investment decisions.

2. What other resource barriers are there?

No further suggestions

3. If you work for a relevant organisation, do you use Energy Service Companies or Energy Performance Contracts?

Not applicable

4. Please explain why

Not applicable

5.If you DO NOT use Energy Service Companies or Energy Performance Contracts, what would encourage you to use them?

Not applicable

6. What else could support to overcome capacity and capability issues in the wider public and sector higher education sectors?

Not applicable

7. What other non-monetary services could be offered which would encourage organisations to invest in energy efficiency measures? E.g. access to reliable information or skills training

Government should centrally fund the energy assessment of all public buildings by a trained and accredited energy assessor to produce a Display Energy Certificate that measures current performance, permits benchmarking to similar building types and identifies opportunities for improvement. An energy advisor can give practical, expert, advice on implementing appropriate recommendations.

Chapter 5

Questions

1. What further actions would support low carbon and energy efficiency investment in the public sector's own estate?

Elmhurst has trained, qualified and accredited over 7000 energy assessors and over 700 are capable of undertaking energy assessments of public buildings. Two excellent tools already exist, in the form of Energy Performance Certificates (which consider the asset) and Display Energy Certificates (that look at both the asset and how it is occupied).

Government should require, and fund, managers of public buildings to undertake an energy assessment, delivered by an expert, using a government funded calculation methodology which provides recommendations for improvement and a benchmarking tool to allow comparative performance to be assessed.

By extending the role of an energy assessor to include advice, which is something that Elmhurst has been asking for, the energy assessor could continue to support the management team in making the right investment decisions going forward.



2. If you work for a relevant organisation, would it support a voluntary 2030/31 emissions reduction target on 2009/10 levels for the wider public and higher education sectors on their own estates in England?

Not applicable

3. Please explain why

Not applicable

4. At what level should a future voluntary target be set? [less than 50%] [50-59%] [60-69%] [70-79%] [more than 80%]

80%

5. Please explain why.

At an authority level then the carbon reductions should reflect the national target of 80% reduction, based upon 1990 levels

At a building level voluntary targets should be SMART, which require them to be both realistic and achievable. Setting arbitrary targets, at a building level, will undermine credibility of a well meaning initiative.

6. Would you support a move to a mandatory target in due course?

Yes

7. Please explain why

Voluntary initiatives are, from our experience with VOLDECs and HIPs, often ignored and action will only be taken when mandatory targets, however modest, are set.

8. What further actions could support the public sector to catalyse the wider low

No further suggestions

9. What national or international examples can we learn from?

Encourage the adoption of an energy management system based upon ISO50001 which requires the setting of objectives and a management system to ensure those targets are achieved, and then improved upon.



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