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ANNEX D

# MEETING THE STATUTORY GUIDANCE REQUIREMENTS

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Section 361B(7) of the Greater London Authority Act 1999 (as amended) requires the Mayor to have regard to any guidance given to him by the Secretary of State when preparing the Climate Change Mitigation and Energy Strategy. The strategy must not be inconsistent with national policies relating to the mitigation of climate change or relating to energy. On 24 June 2008 the (then) Secretary of State for Business, Enterprise and Regulatory Reform and the Secretary of State for Environment Food and Rural Affairs issued formal guidance ("the Guidance") under section 361B(7) of the GLA Act on what the Strategy should include. This document was published alongside this strategy and can be found at [www.london.gov.uk](http://www.london.gov.uk). The box below describes the requirements, as set out in further statutory guidance from government, as well as where it is addressed within this strategy.

Text of Guidance	Where it is addressed in this strategy
Preparation and revision of the Climate Change Mitigation and Energy Strategy	
<p>"In preparing or revising the strategy, the Mayor must consult each of the following:</p> <ul style="list-style-type: none"> <li>(a) Gas and Electricity Markets Authority,</li> <li>(b) Gas and Electricity Consumer Council,</li> <li>(c) Prescribed holders of licences granted under — <ul style="list-style-type: none"> <li>(i) section 7 or 7A of the Gas Act 1986,</li> <li>or</li> <li>(ii) section 6 of the Electricity Act 1989.</li> </ul> </li> </ul> <p>As set out under section 361B(10) of the Greater London Authority Act 1999, this should include any successor organisations to the above.</p> <p>In preparing or revising the strategy, Government encourages the following organisations to also be consulted:</p> <ul style="list-style-type: none"> <li>(a) The Carbon Trust</li> <li>(b) Energy Saving Trust</li> <li>(c) Salix Finance</li> <li>(d) Environment Agency Thames Region</li> </ul>	<p>These bodies were consulted during the public consultation phase of this strategy.</p> <p>The strategy was publicly available on the website as part of the consultation phase. Organisations and other stakeholders were notified of its publication and views were welcomed as to its content.</p>

Content	
<p>The Greater London Authority Act 2007 gives the Mayor of London a new duty in tackling climate change. In particular, the 2007 Act gives the Mayor more scope to innovate and tackle climate change and reduce London's emissions of carbon dioxide and other greenhouse gases within the broad framework of national policy on climate change mitigation and energy policy.</p>	<p>The strategy is comprehensive, outlining clear actions that will transform London into a world-leading low carbon capital through effective use of the Mayor's powers and resources, and ability to influence and work with a wide range of partners.</p> <p>Policies 3-16 set out how the Mayor proposes to minimise London's CO<sub>2</sub> emissions, policies 1 and 2 set out how the Mayor proposes to move London to a low carbon capital. Policies 6, 8, and 10 include Mayoral proposals to enable behaviour change in support of mitigation.</p>
<p>The new statutory responsibility to produce the London climate change mitigation and energy strategy will also give the Mayor more influence with key stakeholders and partners - public and private - in London to achieve the Mayor's climate change and energy objectives.</p>	
<p>The government recognises that the Mayor can play an important role in delivering carbon savings through the powers and responsibilities the Mayor has, in particular in planning, housing, transport and economic development, as well as through the opportunities to influence behaviour of individuals, businesses and communities, for example, to help drive the uptake of low carbon, energy saving technologies and practices.</p>	
<p>Consequently, the strategy should set out how the Mayor proposes to use these powers, resources and influences to work across London to reduce carbon emissions, promote behavioural change in support of mitigation and move London to a low carbon economy.</p>	

<p>The strategy should also set out how the Mayor proposes to support innovation and encourage investment in energy technologies, having regard to advancing renewable, low carbon and other energy technologies which help to reduce carbon dioxide and other significant greenhouse gas emissions.</p>	<p>Chapter 3, policy 1, chapter 4, policies 3, 4 and 5, and chapter 9, policy 14 set out the Mayor's policies and actions to encourage innovation and investment in energy technologies, particularly through the London Green Fund and by stimulating markets for advancing renewable, low carbon and other energy technologies and services.</p> <p>CO<sub>2</sub> emissions account for 99.3 per cent of London's carbon footprint, with the remaining 0.7 per cent coming from methane and nitrous oxide. The Mayor therefore considers it appropriate that this strategy concentrates on CO<sub>2</sub> emissions. This is explained in chapter 2 of the strategy.</p>
<p>The government recognises that, on occasions, the Mayor will want to go further and faster in reducing emissions than the rest of the UK. The government encourages the Mayor to innovate, and, where this is possible and reasonable, go further than national policy, particularly with regard to climate change mitigation.</p>	<p>The Mayor's target of a reduction in CO<sub>2</sub> emissions of 60 per cent on 1990 levels by 2025 sets London on a faster overall trajectory than the UK's 80 per cent carbon emissions reduction target by 2050.</p>
<p>For energy policy however, it is important that the Mayor's policies for London are not inconsistent with national policy objectives on security of supply and competitive energy markets.</p> <p>Section 361B(8) states that the climate change mitigation and energy strategy must also not be inconsistent with:</p> <ul style="list-style-type: none"> <li>(a) national policies relating to mitigation of climate change; and</li> <li>(b) national policies relating to energy.</li> </ul> <p>For national policies relating to climate change this includes, but is not limited to:</p>	

<p>(a) The approach to managing and tackling climate change in the UK as provided for under the Climate Change Act. This includes statutory national emission reduction targets for 2020 and 2050 and five-yearly carbon budgets.</p>	<p>Government has set UK-wide CO<sub>2</sub> emissions reduction targets of 80 per cent by 2050, and 34 per cent by 2022 based on 1990 levels. In addition, it has also set interim budgets of a 22 per cent reduction between 2008 and 2012 and a 28 per cent reduction between 2013 and 2017, based on 1990 levels. In June 2011, it also adopted a fourth carbon budget of a 50 per cent reduction on 1990 levels in the 2023-2027 period.</p> <p>The Mayor has set a target to reduce CO<sub>2</sub> emissions in London by 60 per cent by 2025 and by 80 per cent by 2050, based on 1990 levels. The Mayor has also set interim CO<sub>2</sub> emissions reduction targets for 2015 and 2020 of 20 per cent and 40 per cent respectively.</p> <p>These targets include London's estimated share of government's overall projected CO<sub>2</sub> emissions reductions, as set out in the Low Carbon Transition Plan. In addition to this, the Mayor has sought to reduce CO<sub>2</sub> emissions even further to ensure that by 2025, targets are as, or more, demanding than national targets.</p>
<p>(b) Any other national climate change mitigation targets (including those for other significant greenhouse substances) that may be announced by HM Government.</p>	<p>No further targets have been set.</p>
<p>(c) The climate change policies and priorities for action in the UK as set out in the 2006 UK Climate Change Programme and any subsequent revisions of the UK Climate Change Programme.</p>	<p>Chapter 1 outlines the European and national policy context in which this strategy has been prepared. This strategy is consistent with the latest government climate change strategies and plans which supplement the 2006 UK Climate Change Programme.</p>

	<p>These include the 2011 Carbon Plan, and the 2009 UK Low Carbon Transition Plan and related documents - The Renewable Energy Strategy, The Low Carbon Industrial Strategy, and the Low Carbon Transport Strategy. Government has also made announcements on the Feed-in-Tariff, Renewable Heat Incentive and the Green Deal.</p> <p>This strategy is consistent with these, supporting their overarching goals to develop a competitive green economy, improve the energy efficiency of buildings and transport, and develop low carbon and renewable supplies of energy.</p>
(d) Planning Policy Statement: Planning and Climate Change Supplement to Planning Policy Statement 1 (Dec 2007) and any further national policy on planning and climate change.	PPS1 has been taken into account when drafting relevant policies within this strategy and the London Plan. It is particularly dealt with in chapters 4 and 7.
For national policies relating to energy this includes, but is not limited to:	
(a) The Government's domestic and international energy strategy, as set out in the 2007 Energy White Paper	<p>The main elements of the 2007 Energy White Paper were:</p> <ul style="list-style-type: none"> <li>• establish an international framework to tackle climate change</li> <li>• provide legally-binding carbon targets for the whole UK economy</li> <li>• progressively reduce emissions</li> <li>• make further progress in achieving fully competitive and transparent international markets</li> <li>• encourage more energy saving through better information, incentives and regulation</li> </ul>

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	<ul style="list-style-type: none"><li>• provide more support for low carbon technologies</li></ul> <p>This White Paper was implemented in legislation through the Energy Act 2008, and also supplemented by later policy documents, including the 2009 Renewable Energy strategy and 2009 Low Carbon Transition Plan.</p> <p>This strategy is consistent with the policies contained within these documents. In chapter 4, the Mayor outlines his plans for developing new low carbon energy infrastructure in London – this will diversify London’s energy supply and improve energy security. Chapters 5 and 6 show how the energy efficiency of London’s buildings will be improved – this will reduce energy demand and help to protect Londoners from rising energy prices.</p>
(b) The White Paper on Nuclear Power ‘Meeting the Energy Challenge: a White Paper on Nuclear Power’ published in 2008	<p>This Paper set out government’s approach to nuclear power: that new nuclear power stations should have a role to play in the UK’s future energy mix alongside other low carbon sources, and that government should take active steps to open up the way to the construction of new nuclear power stations, but will not provide public subsidy.</p> <p>The Mayor recognises the continued part nuclear power generation will play in the UK’s energy future, and this strategy supports a diverse mix of energy generation, including a target for 25 per cent of London’s energy to be generated locally by 2025.</p>

<p>(c) The approach to delivering UK energy and climate change policy as provided under the Energy Act.</p>	<p>The Energy Act 2010 includes provisions on:</p> <ul style="list-style-type: none"><li>• introducing a new carbon capture and storage (CCS) incentive to support the construction of four commercial-scale CCS demonstration projects in the UK</li><li>• introducing mandatory social price support</li><li>• clarifying Ofgem's remit so that it considers reducing carbon emissions and delivering secure energy supplies as in the interest of consumers.</li></ul>
	<p>Chapter 4 sets out how the Mayor proposes to increase the supply of energy in London from low carbon and renewable sources.</p> <p>Government has also introduced the Energy Act 2011. The flagship policy in the Act is the 'Green Deal'. It establishes a new obligation on energy companies to help certain groups of consumers with saving energy, facilitates the roll-out of smart meters, widens access to energy performance certificates, and introduces measures designed to help improve energy security and to encourage low carbon generation.</p> <p>Chapter 5 sets out the Mayor's approach to the Green Deal.</p>



<p>(d) The government's target for renewables to grow as a proportion of the UK's electricity supplies to 10 per cent, with an aspiration to double this by 2020, and any new and/or subsequent revision of the UK Government's renewable energy target(s).</p>	<p>Government's Renewable Energy Strategy (2009) commits the UK to a 15 per cent target for production of renewable energy by 2020.</p> <p>Chapter 4 sets out London's capacity to generate renewable energy and how the Mayor will support renewable energy in London. It is also addressed in chapters 5, 6 and 7. The Mayor has sought to increase the use of renewables where practical, in the context of London's urban nature and its inherent capacity to host renewable technologies.</p>
<p>(e) The Government's strategy for achieving 10 gigawatts of installed Good Quality Combined Heat and Power capacity by 2010, as set out in the Government's strategy for Combined Heat and Power (2004) and any subsequent revisions of the strategy.</p>	<p>The Mayor has set a target to generate 25 per cent of London's energy from local, decentralised energy systems by 2025, including from good quality CHP. Chapter 4 sets out how this will be achieved.</p>
<p>(f) The current and planned policies and measures to improve energy efficiency contained in the UK Energy Efficiency Action Plan 2007, and any subsequent revisions of the Action Plan.</p>	<p>The UK Energy Efficiency Action Plan has been supplemented by a number of policy documents including the UK Low Carbon Transition Plan (2009) and Low Carbon Transport (2009) and government announcements on its proposed Green Deal. These are referenced in relevant chapters, and information provided on how Mayoral activity is consistent with these.</p> <p>For more information, please see chapters 5, 6 and 8.</p>

<p>(g) The aim to expand the supply and use of biomass for heat, power and transport in a sustainable way, as set out in the Government's Biomass Strategy (2007), and any new and/or subsequent revisions of this strategy.</p>	<p>The government's Biomass Strategy aims to:</p> <ul style="list-style-type: none"> <li>• achieve a major expansion in the supply and use of biomass in the UK</li> <li>• facilitate the development of a competitive and sustainable market and supply chain</li> <li>• promote innovation and low carbon technology development</li> <li>• contribute to the delivery of government's goals to reduce CO<sub>2</sub> emissions</li> <li>• achieve a secure, competitive and affordable supply of fuel.</li> </ul> <p>Chapter 4 sets out London's capacity to generate energy from different fuel sources, including biomass. Chapters 4 and 8 set out the Mayor's actions on sustainable biomass for energy supply and transport respectively.</p>
<p>(h) The current and planned strategy to advance micro-generation in the UK, as set out in the Government's 2006 Micro-generation Strategy 'Our Energy Challenge: Power from the People', and any subsequent revisions of the strategy.</p>	<p>Government produced a revised micro-generation strategy in June 2011. The Strategy focuses on non-financial barriers to microgeneration, including:</p> <ul style="list-style-type: none"> <li>• maximising the effectiveness of the Microgeneration Certification Scheme (MCS)</li> <li>• creating a regulatory environment and assessment framework that enables accurate representation of the contribution of microgeneration technologies to low carbon homes and buildings</li> <li>• ensuring there are sufficient levels of skills and knowledge in the industry to meet the demands of a rapidly growing sector</li> </ul>

	<ul style="list-style-type: none"> <li>• promoting a systems approach to microgeneration technology deployment, producing clear guidance on the various technologies, improving consideration for grid and connection issues, and encouraging a reliable market growth for microgeneration.</li> </ul> <p>Chapters 4, 5 and 6 set out how the Mayor will increase the deployment of microgeneration in London, and chapter 3 sets out how the Mayor is helping to ensure there are sufficient levels of low carbon skills and knowledge.</p>
<p>The London climate change mitigation and energy strategy shall also contain information about –</p> <p>(a) The levels of emissions of substances which contribute to climate change. This should be compiled by incorporating both:</p> <p>(i) Emissions from within Greater London; and</p> <p>(ii) Emissions that occur outside of Greater London but which are still attributable to it, including emissions from electricity and gas use within Greater London.</p> <p>This should be done with reference to:</p> <ul style="list-style-type: none"> <li>• BERR's regional energy statistics, published on annual basis; and</li> <li>• DEFRA's local carbon dioxide emission statistics, published on an annual basis.</li> </ul>	<p>In the strategy, CO<sub>2</sub> emissions are accounted for at the point of energy use. Any energy usage that occurs within the geographic boundary of Greater London will be considered to contribute to London's direct emissions. This is consistent with the scope of measurement that government applies. CO<sub>2</sub> emissions associated with the electricity supplied to London through the national grid, which is generated in power stations outside of Greater London, are also included in this strategy.</p> <p>The most recent measurement of London's CO<sub>2</sub> emissions was taken for the 2008 London Energy and Greenhouse Gas Inventory (LEGGI), which collates measurements of greenhouse gas emissions in the geographic boundary of Greater London. This includes DECC's regional energy statistics and local CO<sub>2</sub> emission statistics.</p> <p>Further information, including estimates of London's indirect CO<sub>2</sub> emissions, is available in chapter 2 of this strategy.</p>

<p>(b) The number of households in Greater London in which one or more persons are living in fuel poverty, within the meaning of the Warm Homes and Energy Conservation Act 2000.</p> <p>The above should be compiled with reference to the Fuel Poverty indicator database (<a href="http://www.fuelpovertyindicator.org.uk">www.fuelpovertyindicator.org.uk</a>)”</p>	<p>Chapter 5 sets out the number of households in fuel poverty in London based on government’s definition: “a person is to be regarded as living “in fuel poverty” if he is a member of a household living on a lower income in a home which cannot be kept warm at reasonable cost.” The Fuel Poverty Indicator, compiled in 2003, indicated that 162,241 households in London were in fuel poverty. However, government estimates for 2008 in the ‘Sub-regional fuel poverty levels, England (2008)’ showed that London had 328,000 households living in fuel poverty. In addition, under the Mayor’s definition of residual income after housing costs, in 2008, 760,000 London households were in fuel poverty.</p> <p>Policy 7 in chapter 5 outlines how the Mayor will work to eradicate fuel poverty in London by 2016.</p>
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