

## **Energy Bill [HL]**

### **House of Commons – Second Reading**

### **10 May 2011**

The London Assembly Environment Committee welcomes the proposed Green Deal, with its mechanisms to enable the retrofitting of energy efficiency and energy generation measures to homes. The Committee has heard that the Green Deal and the Energy Bill currently before Parliament are essential to both national and London carbon reduction targets.

#### **Warm Homes Amendment**

However, the government has not said how much carbon is expected to be saved by the Green Deal or set out a plan for where energy savings are expected to come from. Therefore the Committee supports the Warm Homes Amendment, which calls for provisions in the Energy Bill to ensure that an overall plan or strategy is published and kept under review, setting out how the Green Deal and other government energy efficiency measures are expected to contribute to targets on carbon reduction and fuel poverty. As well as integrating the Green Deal with these existing objectives, a published plan with targets and mechanisms would help to give the essential delivery and finance partners confidence in the future of the work.

#### **RE:NEW model**

The Mayor and London Councils have put forward their RE:NEW programme as a model for delivery of the Green Deal. This committee supports this model, which promotes uptake of whole-building retrofitting through a single, trusted brand supported by the local authority. This committee also recommends the street-by-street promotion approach used in RE:NEW pilots: the Bill should require Green Deal providers and private landlords to work with local authorities promoting Green Deal measures on an area basis. RE:NEW represents a significant investment in domestic energy efficiency, ready for expansion throughout the capital, which would be undermined if the national Green Deal reverted to a fragmented and piecemeal approach.

This Committee can also support the Mayor's and London Councils' calls for the design of the Green Deal scheme and the legislation behind it to support uptake of all the measures needed to meet the carbon targets. These measures include solid wall insulation, smart meters and renewable and decentralised energy generation. Therefore the Golden Rule (principle that measures should pay for themselves within their lifetime) should be applied at the level of whole-building packages, rather than individual measures. To ensure a whole-building approach, the carbon reduction target should subsidise energy supply and energy efficiency measures including solid wall insulation from its introduction in 2012. Smart meters should be provided to households taking up Green Deal packages.

#### **Building on retrofitting so far and addressing regional disparities**

To address gaps in the distribution of insulation under the Carbon Emissions Reduction Target (CERT) so far, the Golden Rule threshold should be set on a regional rather than national basis, and the Committee welcomes the proposed provision for targets in specific areas.

Government and associated data on EPC and previous installations should be collated by government and shared with boroughs for free to enable systematic area retrofitting, and all homes with uninsulated loft and cavity walls should be targeted for a whole-house retrofit.

### **Private rented and leasehold properties**

The private rented sector is a challenging segment of the market, with frequent changes of occupancy and divided responsibility for energy efficiency investments and energy bills. Private landlords should be required to engage with street-by-street promotion of the Green Deal (such as London's RE:NEW initiative) and ensure that these offers are available to their tenants. Leasehold residential properties also present challenges of divided decision-making. The Government should amend section 35 of the Landlord and Tenant Act 1987, to allow for a variation of leases where energy and water efficiency is inadequate, and should ensure that the practical and financial barriers faced by leaseholders are tackled in the secondary legislation.

Murad Qureshi AM

Chair, on behalf of the London Assembly Environment Committee

9 May 2011