

Greenpeace response to the Ofgem/BERR Distributed Energy consultation

Greenpeace has been active in the promotion and development of the evidence base on decentralised energy (DE) for a number of years. We have researched the impacts of and options for decentralised energy across the UK (WADE), London (PB), Scotland and Edinburgh. (See attached reports/links) We believe it is a crucial element of the fight against climate change, alongside demand-side efficiency of use and large-scale renewable power in developing sustainable low-carbon energy.

Greenpeace has been advocating DE because of the value using both heat and power from thermal power stations – even those using fossil fuels – and the much wider range of potential renewable energy sources it enables, including biomass combined heat and power, small wind, micro-hydro and solar. Given the ultimate need to make our heat and power systems virtually zero-carbon by 2050 we will need all the renewable energy available from our dispersed infrastructure that we can get.

Indeed the many advantages of distributed energy are recognised in the first paragraph of the consultation summary:

- Assist with meeting GHG reduction targets
- Making use of waste heat
- Reducing electricity losses and the need for large scale T&D infrastructure
- Facilitating use of local renewable energy
- Encouraging behavioural change through increased energy awareness

Unfortunately, the failing of current policy is that almost none of these advantages are financially recognised through any of the proposals for changes to market regulation – with the exception of cost-reflective charging by DNOs for DE. As recognised deep into the consultation, the proposals are really intended to help small generators rather than low-carbon ones. The proposals are thus of as much value to an inefficient old oil-fired generator as they are to a state-of-the-art biomass CHP unit. These proposals are neither an adequate response to the challenges facing UK energy system or compatible with the goals of the Energy White Paper. The UK energy system will need to be totally transformed over the next 40 years and this major change of infrastructure will not happen through hoping the private sector will spontaneously invest in low-carbon energy. All the major public service infrastructure of the UK was delivered either by public funds or with heavy Government backing. The strategic motorway network, the national grid, major airports and other “big kit” were built with public money or solid Government intervention to make them happen.

Greenpeace believes that public policy intervention of a much more direct kind than exhibited in this consultation document, to drive forward a vision of a future low-carbon energy system will be necessary.