

Carbon Emissions Reduction Target Update

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Issue 18

Quarter 18 Headlines

- 265.0 Mt (lifetime) CO₂ emissions reductions achieved in CERT at the end of September 2012, including EEC2 carryover.
- This equates to 90% of the overall target of 293 Mt (lifetime) CO₂, 95% of the way through the programme.
- 41% of total savings to date are from the Priority Group (PG).
- 67% of total savings to date are from insulation (including DIY loft insulation).
- 19% of total savings to date are from lighting.
- 59.1 Mt (lifetime) CO₂ achieved towards the Insulation Obligation (IO) target of 73.4 Mt (lifetime) CO₂ (81%)
- 7.4 Mt (lifetime) CO₂ achieved towards the Super Priority Group (SPG) obligation target of 16.2 Mt (lifetime) CO₂ (46%)

The CERT Programme:

- CERT is the government's main domestic energy efficiency instrument.
- DECC is responsible for the policy. Ofgem administers the programme.
- The CER target is to achieve 293 Mt (lifetime) CO₂ by 31 December 2012.
- 40% of the obligation must be met in the Priority Group (PG).
- 16.2 Mt (lifetime) CO₂ (15%) of the extension obligation must be met in the Super Priority Group.
- 73.4 Mt (lifetime) CO₂ (68%) of the extension obligation must be met by promoting professionally installed insulation measures (the Insulation Obligation or 'IO').
- The Priority Group includes those aged 70 and over and those on qualifying benefits.
- The Super Priority Group (SPG) is a sub-set of the Priority Group. It includes those on certain qualifying benefits, for example households in receipt of child tax credits with an income under £16,190.

Number of Measures Delivered

The six obligated energy suppliers update Ofgem every 3 months on their progress in delivering certain key measures. Ofgem carries out checks on the data, liaising with suppliers to ensure it is robust. Figures within this update represent provisional, cumulative activity and are not fully approved, finalised figures¹.

Table 1

	Measure type	Number
Insulation	Cavity wall insulation	2,401,845
	Loft insulation (excluding DIY insulation)	3,499,031
	Solid wall insulation	52,547
Heating	Fuel switching	97,428
Lighting	Compact Fluorescent Lamps (CFLs)	304,635,675
Microgeneration	Heat pumps	6,617
	Solar water heating (m2)	3,091
Behavioural	Real Time Displays (RTDs)	2,421,147
	Home Energy Advice Packages (HEAPs)	0

Table 1 shows the cumulative number of measures delivered by suppliers up to and including the eighteenth quarter (ending 30 September 2012) of CERT, excluding measures carried over from EEC2. This includes those installed under the IO and within the SPG.

The table contains data for approved supplier schemes only, and does not cover those currently going through the approval process; thus the figures in Table 1 are a slight underestimation of the actual activity achieved to date. Furthermore, Table 1 contains key measures only, and does not represent the full breadth of CERT activity. Figures contained in this update are reported to Ofgem cumulatively from the beginning of CERT.

The number of insulation measures reported to Ofgem have continued to increase this quarter; with an increase of 5% reported for cavity wall insulation, 9% for professional loft insulation and 3% for solid wall insulation compared to last (continued overleaf)

¹ Final figures will be confirmed at the end of the scheme, during compliance checks. Where numbers provided in the tables and charts of this update do not exactly match those cited in the text it is due to rounding.

(Number of Measures Delivered continued)

quarter. In addition 104.4 million m² of DIY loft insulation has been distributed to date through retail outlets and online, an increase of 3% compared to the 101.5 million m² reported last quarter.

Under microgeneration measures, the number of heat pumps reported this quarter decreased by 1 due to reconciliation of measure data, whilst solar water heating measures remained at 3,091m².

The number of CFLs reported this quarter increased by less than 1%. CFLs have not been eligible under CERT since 31

March 2011 and changes in the numbers being reported are likely due to supplier reconciliation of data, not new measures being claimed.

The number of real time displays has increased by less than 1%, with 2.42 million reported to date. The number of HEAPs reported decreased from 28,571 to 0 due to a supplier decision to no longer claim these measures under CERT.

Carbon Savings Achieved

The six obligated energy suppliers update Ofgem every 3 months with their cumulative progress towards each of their carbon emissions reduction obligations. Ofgem carries out checks on the data, liaising with the suppliers over unexpected data points or trends. In the following analysis, this is summarised and broken down into carbon saving measures and PG / non-PG status. Figures within this update represent provisional, cumulative activity and are not fully approved, finalised figures.¹

Chart 1 shows the total 265.0 Mt CO₂ saved to date, including 37.8 Mt CO₂ carryover from EEC2, split by measure type. Overall the proportion of savings from the different measures remains relatively stable compared to previous quarters.

Insulation measures (including IO and DIY loft insulation) continue to contribute the greatest volume of carbon

savings under CERT, accounting for 67% of savings (177.1 Mt CO₂). Overall carbon savings from insulation measures increased by 5% this quarter; whilst the savings attributed to the IO increased by 17%. The increases in insulation measures and IO activity are slightly smaller than those seen in previous quarters.

Lighting measures, such as CFLs and LEDs, accounted for 19% of savings; a small decrease from the 20% reported last quarter. Despite an increase in the number of CFL measures reported this quarter, the total savings from lighting decreased from 51.8 Mt CO₂ to 51.3 Mt CO₂. Reasons for the decrease include reconciliation of supplier data and changes to the product mix reported.

The remaining 14% of carbon savings were attributed to microgeneration, appliances, behavioural and heating measures.

- The proportion of carbon savings from heating measures which includes fuel switching activity and distribution of shower regulators remained at 8%, with a total saving of 20.8 Mt CO₂ attributed to these measures.
- The proportion of carbon savings from appliances which includes white goods, consumer electronics and standby consumption reduction devices decreased from 5% to 4% this quarter, whilst the total savings increased from 11.6 Mt CO₂ to 11.7 Mt CO₂.
- Savings from microgeneration and Combined Heat and Power (CHP) remained at 1.7 Mt CO₂. The proportion of savings for these measures also remained at 1%.
- The proportion of savings from behavioural measures comprising both RTDs and HEAPs remained at 1%, whilst the total savings attributed to these measures decreased to 2.4 Mt CO₂, due to the removal of the HEAP measures reported.

Demonstration actions (DA) allow suppliers to receive a carbon return for approved financial investment in trials of innovative measures. The actual savings and proportion of savings reported from these measures remains small at below 0.1 Mt CO₂ and below 0.1% respectively.

Chart 1 : Total CO₂ savings by measure type (inc ECC2 carryover)

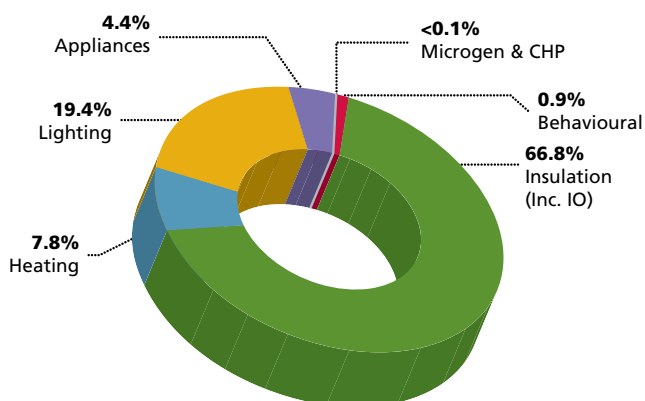


Chart 2: CO₂ savings achieved under CERT in the Priority and non-Priority Groups (including both CERT and EEC2 carryover)

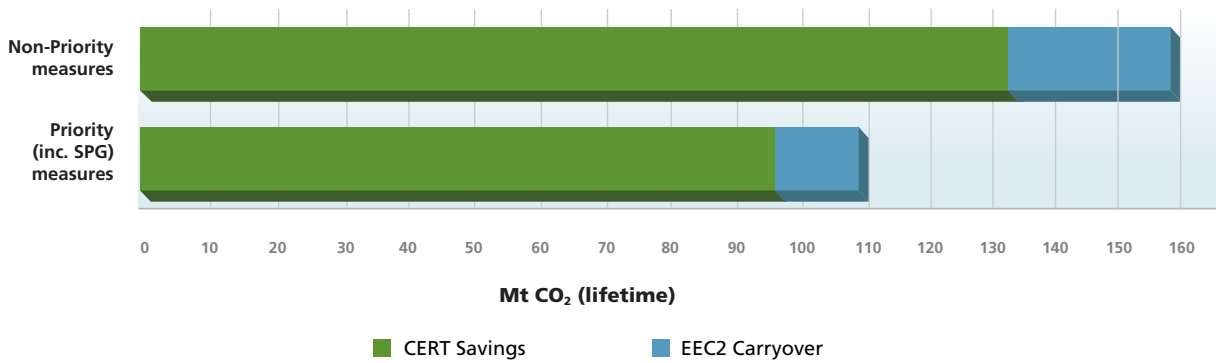


Chart 3: CO₂ savings by measure type delivered to Priority and non-Priority Groups (excluding EEC2 carryover)

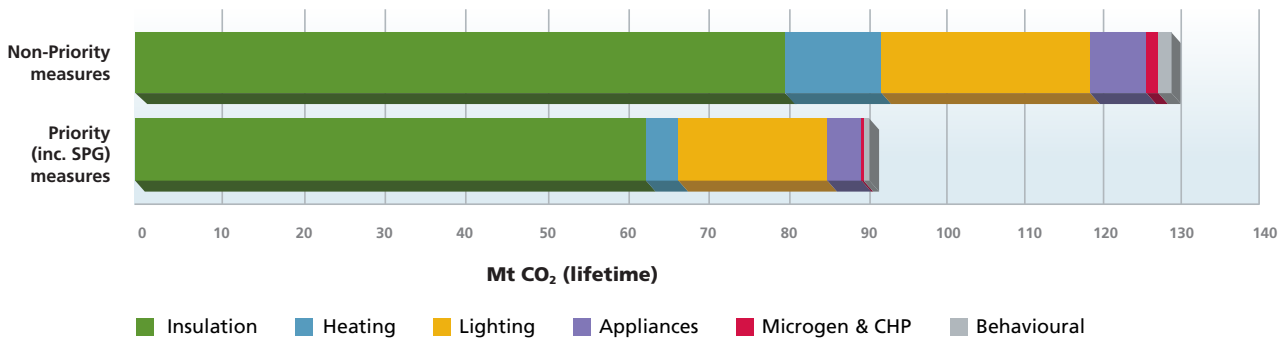


Chart 2 shows how reductions in carbon emissions have been achieved in the PG and non-PG, broken down by CERT activity and EEC2 carryover. The data includes SPG and IO activity.

To date, 265 Mt CO₂ savings have been achieved towards the overall CER target of 293 Mt CO₂. Of these savings 41% (109.7 Mt CO₂) have been achieved through PG activity, exceeding the CERT PG target of 40%.

Chart 3 shows carbon savings since the beginning of CERT, split by measure type and PG / non-PG status, excluding carbon savings carried over from EEC2. As with Chart 2, IO and SPG savings are included in the data. In total, PG and NPG savings, excluding carryover, increased by 1% and 6% respectively. Savings from insulation remains the most prevalent measure type for both groups.

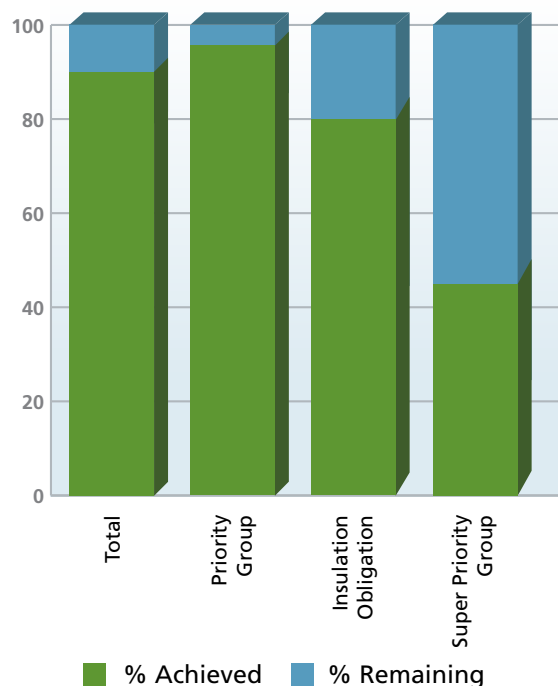
Chart 4 shows the progress made at the end of quarter 18 and the work required in order to meet the overall CERT obligation and sub-obligations.

While 90% of the overall obligation has been completed, the full obligation cannot be achieved without also achieving the three sub-obligations.

Suppliers have continued to make progress against the sub-obligations; with 94% completed against their PG obligation (increased from 93% last quarter), 81% against their IO obligation (increased from 69% last quarter) and 46% of their SPG obligation (increased from 39% last quarter).

It is worth noting that while the overall and priority group obligations have been running since 2008, the IO and SPG extension obligations were not introduced until August 2010, to begin in April 2011.

Chart 4: Percentage of CERT overall and sub obligation targets achieved to date





Q19 CERT Update

The CERT obligation will end on the 31 December 2012. The Quarter 19 update, covering the final period from October 2012 to December 2012 will be published as an annex of the CERT Final Report during Spring 2013. This will show the total carbon savings achieved and measures delivered under the CERT programme.

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For more information on CERT, please email CERT@ofgem.gov.uk or visit our website

www.ofgem.gov.uk/cert.

The website contains the contact details for those suppliers with a CERT obligation.