THE ENERGY BILL

Background
The Government's draft Energy Bill was published on 29 November 2012. It sets out the various measures that will be enforced to ensure the UK's switch to a "low-carbon economy" – and to attract the £110 billion investment needed to keep up with the nation's rising demand for electricity.

t-mac action points

- The Government had an opportunity to include demand management measures in 2012's draft Energy Bill – but failed to do so to any meaningful extent.

- The Government must look at demand management in a legislative format sooner rather than later.

Lisa Gingell, director of t-mac Technologies Ltd, says:
The introduction of the draft Energy Bill at the end of last year saw what could well prove to be a watershed moment for the decarbonisation of Britain's electricity generation.

Suppliers were left facing what the Government is calling the "biggest transformation of Britain's electricity market since privatisation".

The Bill's aim – essentially to decarbonise the electricity generation system and reduce electricity consumption - is an important, and long overdue, step forward.

In advance of the Bill's release, trade associations like the Energy Services & Technology Association and businesses whose success lies on using large amounts of energy had, of course, already discussed what changes the legislation would bring.

Renewable generation was always going to be top of the agenda: it's a media-friendly subject which ticks green boxes and yes, ensuring a sustainable and stable energy supply is an issue of vital importance to everyone in the UK.

What was missing from the draft Energy Bill, though, was any suggestion at all that the Government is serious about the other side of the coin – managing energy demand.

On November 30 – a day after the draft Bill was released last year – the Institution of Engineering and Technology released its own guidance calling for demand management measures to be fully integrated into energy policy going forward.

Money is tight for many, and – even with fears of a triple-dip recession easing – pressures on the bottom line comes from many different directions. With the Energy Bill, though, the Government had an opportunity to transcend what can be seen as petty, business-based worries and cast in stone a plan to bring demand management into the energy efficiency mix. Unfortunately, they seem to have missed the boat.

Although the Government reacted with a consultation on reducing energy demand, announced on the same day as the draft Energy Bill, that is certainly not the same as including demand management measures in the Bill itself.

Granted, the introduction of the Energy Efficiency Strategy recognises the potential for savings which can come from looking at non-domestic demand. Currently, businesses themselves are leading the way on energy reduction strategies, using companies like t-mac to cut their bills. Although big polluters – the most energy-intensive companies – will be exempt from carbon taxes, SMEs and others will not.

The Government, though, seems not to notice, and is still focussed wholly on supply – concentrating on pylons and power stations rather than productivity and purse strings.

Ends