



## Energy Efficiency

### Introduction

Energy efficiency in Wales is promoted from three directions: climate change, improving the efficiency of business, and fuel poverty. Using energy more efficiently usually reduces the climate impacts of its use, while improving energy efficiency also generally reduces both absolute expenditure on energy and the proportion of expenditure on energy out of the total household or business budget. Around 14 per cent of all households in Wales lived in 'fuel poverty' in 2005<sup>i</sup> – these households often include the most vulnerable people in our communities<sup>ii</sup>.

Common energy efficiency measures include improving insulation in buildings, improving the efficiency of heating (for example, by switching to gas or biomass heating, or upgrading or replacing an old boiler), and replacing filament light bulbs with energy-efficient alternatives.

Tackling climate change will require actions to increase the energy efficiency of both new and existing buildings.

### Current and proposed legislative competence of the Assembly

Under the *Government of Wales Act 2006*, the National Assembly for Wales can seek legislative competence through Acts of Parliament or Legislative Competence Orders (LCOs) to make a piece of law in the form of an 'Assembly Measure'. Measures can only be made in a specific policy area (or 'Matter') added to one of the 20 'Fields' (or broad subject areas) which are contained in Schedule 5 to the Act.

As "Environment" is Field 6 of Schedule 5 to the Act, the National Assembly for Wales can seek Measure-making powers over environmental and planning matters that impact on climate change and energy efficiency through Legislative Competence Orders.

Welsh Ministers have the power to provide grants to aid home energy efficiency under the *Housing, Grants, Construction and Regeneration Act 1996*.

### Forthcoming EU and UK primary legislation

- The Carbon Reduction Commitment will start in January 2010, and provides incentives for organisations to save money through energy efficiency.
- The Carbon Emissions Reduction Target came into effect on 1 April 2008. It requires energy suppliers to achieve targets for promoting reductions in carbon emissions in the residential sector. Suppliers must direct at least 40 per cent of carbon savings to low-income and elderly consumers.
- The Climate Change Bill was published on 14 November 2007.
- A White Paper on Energy was published in May 2007.
- In March 2007, the UK government announced the phase-out of incandescent (filament) bulbs by 2011.
- The EU Energy Taxation directive will be reviewed following the Green Paper consultation on the use of market-based instruments for energy related policy purposes (the consultation closed on 31 July 2007).

### EU Policy

The EU has wide jurisdiction over matters of energy efficiency; the buildings sector accounts for 40 per cent of the EU's energy requirements. The following are examples of such European legislation and guidance:

- An EU Directive on the energy performance of buildings was published on 4 January 2002<sup>iii</sup>. Energy Performance Certificates are now required on buildings being sold, as a result of the Directive.
- The Second European Climate Change Programme was launched in October 2005.
- The EU Directive on energy end-use efficiency and energy services was published on 27 April 2006<sup>iv</sup>.

- A Communication from the European Commission on an Action Plan for Energy Efficiency was published on 19 October 2006<sup>v</sup> following the Green Paper on 22 June 2005<sup>vi</sup>.
- On 23 November 2006, the European Council of Energy Ministers endorsed the Commission's target in the Action Plan for a 20 per cent improvement in energy efficiency by 2020.
- Several EU Directives on energy labelling of household appliances are in force<sup>vii</sup>, including refrigerators and freezers, electric ovens, air conditioners, dishwashers, light bulbs, washing machines, and tumble driers. The scheme is to be extended.

## Key Welsh Government strategy documents and action plans

- Warm Homes and Energy Conservation Act 2000: A Fuel Poverty Commitment for Wales<sup>viii</sup>.
- The Environment Strategy for Wales<sup>ix</sup> and its accompanying Action Plan<sup>x</sup> are the principal means through which climate change will be tackled.
- The Welsh Assembly Government announced in February 2007 an aspiration is for all new buildings in Wales to be zero carbon by the end of the Third Assembly (2011).

## Useful Links

- The Energy Saving Wales website signposts users to information about energy efficiency and small-scale renewable energy: <http://www.energysavingwales.org.uk/>
- The Welsh Assembly Government has a website covering energy and fuel: <http://new.wales.gov.uk/topics/housingandcommunity/housing/energyandfuel/?lang=en>
- The Energy Saving Trust provides advice to domestic and business energy users: <http://www.energysavingtrust.org.uk/aboutest/how/wales/>
- The Carbon Trust provides energy-saving advice, principally to business and industry: <http://www.carbontrust.org.uk>
- The energy efficiency webpage of the European Commission's Directorate-General for Energy and Transport can be found at: [http://ec.europa.eu/energy/demand/index\\_en.htm](http://ec.europa.eu/energy/demand/index_en.htm)
- The Home Energy Efficiency Scheme funds insulation and heating measures in order to reduce fuel bills and improve domestic energy efficiency. The scheme is managed by Eaga on behalf of the Welsh Assembly Government: [http://www.eaga.com/government\\_contracts/hees.htm](http://www.eaga.com/government_contracts/hees.htm)

## Further information

Research papers are available on carbon dioxide emissions in Wales, the Climate Change Bill, the White Paper on Energy, renewable energy, and the Environment Strategy for Wales at:

<http://www.assemblywales.org/bus-home/bus-assembly-publications-economic.htm>

For further information on any aspect of energy efficiency, please contact Gareth Clubb, Members' Research Service ([Gareth.Clubb@wales.gsi.gov.uk](mailto:Gareth.Clubb@wales.gsi.gov.uk)), 029 2089 8638

<sup>i</sup> Welsh Assembly Government, [Fuel Poverty in Wales, 2004: Modelled headline fuel poverty statistics for 2005 and 2006](#)

<sup>ii</sup> Welsh Assembly Government, [Energy and fuel](#),

<sup>iii</sup> Eur-Lex, [Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings](#), December 2002

<sup>iv</sup> Eur-Lex, [Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC](#), April 2006

<sup>v</sup> European Commission, [Communication from the Commission: Action plan for energy efficiency – realising the potential](#), October 2006

<sup>vi</sup> European Commission, [Green Paper on Energy Efficiency](#), June 2005

<sup>vii</sup> European Commission, [Energy Labelling of Domestic Appliances](#),

<sup>viii</sup> Welsh Assembly Government, [Warm Homes and Energy Conservation Act 2000: A Fuel Poverty Commitment for Wales](#), March 2003

<sup>ix</sup> Welsh Assembly Government, [Environment Strategy for Wales](#), May 2006

<sup>x</sup> Welsh Assembly Government, [Environment Strategy for Wales: First Action Plan](#), May 2006