

PRESS RELEASE

FOR IMMEDIATE RELEASE

***SHORTCOMINGS OF GOVERNMENT CLIMATE CHANGE POLICY
DELIVERY EXPOSED BY NEW REPORT***

Leamington Spa, Warwickshire – A report on the social and market aspects of the Warwick Wind Trials Project published this week by leading energy engineering consultancy Encraft exposes fundamental weaknesses in the government’s approach to delivering their Climate Change policies.

The report, which is the culmination of two years’ research by the Midlands-based consultancy in partnership with customers, industry and public bodies, exposes the extent to which UK commercial, regulatory and political processes and culture inhibit the deployment of mass market low carbon technologies.

Encraft’s report highlights how an institutionalised “one-size-fits-all” approach to markets and regulation can easily mislead consumers about the benefits of renewables and energy efficiency technologies, and focuses industry efforts on lobbying at the expense of genuine market competition. The effect of this is systematic waste of resources and disappointed customers, holding back market development and making innovation increasingly expensive.

The urban microwind experience described in the report is a particularly good example of how not to regulate a new technology. Extensive trials by Encraft and years of theory show wind turbines work extremely well on some sites and extremely badly on others. This kind of variation in performance makes it extremely difficult to make any kind of general statements about the technology, but despite this industry participants are encouraged to lobby for national standards (which are often then expensive or impossible to establish and police).

In the case of microwind turbines, the trials project has demonstrated that much of this effort might usefully have been better spent ensuring turbines actually work for customers. From almost 30 sites and five manufacturers nationally, less than 20% of systems have managed a full year in operation without some teething issues or technical problems. While the indications from more mature sectors of the wind industry are that most of these teething issues are soluble, the reality is that customers are being offered a development technology as a mature product – while this ensures regulators take the product seriously, it is the most enthusiastic and committed customers who are made to suffer.

A further example of the way policy aspiration has completely lost touch with actual customer experience is the way microwind turbines are counted as contributing to delivering UK climate change targets. The government¹ has formally decided to count each turbine as delivering 877 units of green electricity a year – or almost half a tonne of carbon savings – when calculating progress towards carbon savings targets. The report shows that in Encraft's Warwick Wind Trial project – which is the largest and only independent field trial in the UK to date - only 1 of 24 turbines running since last summer has actually reached this level of output: most systems are struggling to achieve a quarter of the government's assumed average.

It is too early to see the long-term impact this kind of institutionalised contempt for the paying customer will have on the UK's ability to meet the climate change challenge (as well as the clear gap between policy assumption and practical reality) but this report raises some serious concerns. For example, now that many of the individual customers who were keenest to do their bit to address climate change have had their fingers and wallets burned once, will this make it harder for climate change innovators to bring good products to market? Will the government have to invest even more taxpayer's money in exhortation, despite the fact that it is they themselves who have made the task more expensive?

On the positive side, the report notes that wind turbines do work extremely well on the right sites, even if excessive and often inappropriate regulations make it expensive to find these. Encraft praise technology companies like Glasgow-based Windsave and B&Q

who had the courage to try and break the mould of the UK energy technology market and attempt to bring a mass market micro-renewable technology to market for the first time.

The report concludes by calling for more market-based incentives for homeowners to invest in microrenewables – internationally proven concepts like feed-in tariffs to reward micropower producers for avoiding the environmental costs of larger power systems, and low interest loans and tax rebates that reflect the longer term value of investments of this kind. The authors see significant benefit in these kind of approaches because they encourage *local* optimisation and engagement – ensuring individuals are motivated to find the best technologies for their own homes – in contrast to grant schemes and subsidies which are the outcome of largely academic debate, in practice either disenfranchising or confusing most customers.

Encraft's report on the microwind experience shows motivated customers and imaginative entrepreneurs exist in spades in the UK: effective policies and regulations would ensure that the industry is driven by these people, creating a diverse, competitive and healthy sector, and not simply by the politics of the larger players in the industry and a few civil servants in Whitehall.

- - ends - -

¹ Explanatory memorandum to the electricity and gas (carbon emissions reduction) order 2008, DEFRA, November 2007, pp32 –34

Background information

Encraft is a low carbon engineering consultancy and energy services company, operating nationally with offices in Warwickshire and Wiltshire. Established in 2003, the company's mission is to accelerate development of a low carbon economy by providing impartial technical expertise and support to project owners, particularly homeowners and small developers.

Encraft's Warwick Wind Trial project (www.warwickwindtrials.org.uk) is the largest and most open independent trial of building mounted turbines in the UK. It is funded by Pilkington Energy Efficiency Trust and the Building Research Establishment (BRE), and is

exclusively working with real customers who have bought turbines between 2006 and 2008. The project began in summer 2006 and now has 29 building-mounted turbines under assessment from Aberdeen to Cornwall.

Further information

Media enquiries

Nicky Wootton at Encraft on 01926 312159 or e-mail: nicky.wootton@encraft.co.uk

Encraft Corporate

Matthew Rhodes (Managing Director) 01926 331961 or email:

matthew.rhodes@encraft.co.uk