



student action on world poverty and the environment

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DEFRA consultation on measures to reduce carbon emissions in the large non-energy intensive business and public sectors: a response by People & Planet

Organisation name:

People & Planet

Names:

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Type of organisation:

NGO

Size of organisation:

18 employees; 24,000 supporters

Electricity use:

17,600 kWh, costing £3300 per year – using electricity purchased from 100% renewable sources.

General comments

People & Planet is the largest student network in Britain campaigning on world poverty, human rights, and the environment. We are a member of Stop Climate Chaos, the national coalition pushing for government action to tackle climate change, and calling for a 'carbon budget' to achieve annual reductions of at least 3% in the UK's carbon emissions.

Since 2003 our network has been campaigning on **Go Green** – which aims to improve environmental performance and reduce carbon emissions in the Higher Education (HE) sector – with tremendous success. Edinburgh, LSE, Nottingham, Portsmouth, Reading, Roehampton, and Warwick universities are just a few examples.

We believe that the Higher Education sector should lead by example in the transition to a low carbon economy, by significantly reducing its carbon emissions. Several case studies show that this is highly achievable. For this reason we welcome DEFRA's attempts, starting with this consultation, to reduce carbon emissions in large non-energy intensive organisations such as HE institutions.

However we are concerned that, as they relate to universities, DEFRA's proposals are confused and complicated. Whilst imposing extra bureaucratic burdens on the precious time of university

Estates and Environmental staff, we fear that both the cap-and-trade and voluntary benchmarking proposals will be ineffective in making the carbon reductions needed. There is little evidence that such approaches have worked elsewhere and we have little confidence that they will achieve carbon reductions that are:

- Sector wide
- Significant in volume
- Quickly implementable
- Clear to communicate with staff and students.

At best, a cap-and-trade model will produce one or two exceptional examples. But People & Planet is sceptical that they will achieve across the board reductions.

A better option would use a mandatory regulatory system for carbon reductions – carbon budgets. Tied to public funding commitments for universities, and backed by the 'carrot' of far greater public investment in measures to reduce carbon emissions – such as low-energy buildings and refurbishments, or micro-generation and on-site renewable – this would provide for far greater clarity, certainty, and success.

Regulation is more effective than cap-and-trade or voluntary initiatives

People & Planet is concerned by the fact that the DEFRA consultation document does not even *consider* as an option a mandatory regulatory system for carbon reductions. We believe that there is an urgent need for a clear, effective mechanism for *mandatory reductions* in carbon emissions, which should tie in with national annual binding targets. If the UK has an overall commitment to a 3% annual cut in emissions, this should translate into targets for each sector, and ultimately into a requirement for every institution or business to have a carbon reduction plan in place.

This would be *less* administratively burdensome than the cap-and-trade alternative, which we believe is a recipe for uncertainty and complication. One university environmental manager we spoke to said that “we need to spend our time doing our jobs [i.e. environmental management], not buying and trading allowances”. This is particularly pertinent given that most HE institutions have very few environmental and energy management staff.

Public sector organisations are different

It seems illogical to lump together public sector institutions and private businesses of quite different types. Measures that are effective for cutting carbon emissions in public sector institutions may be very different to the sorts of measures that work for private companies, not least because of the different relationship – and leverage – Government has with public bodies.

DEFRA hasn't made the link between this proposal and the funding of universities through Higher Education Funding Councils. For the HE sector, carbon reduction measures should be made a *criteria for government funding*.

In addition, by lumping together public and private sectors, People & Planet is concerned that poorer universities will be forced to bid for carbon allowances against other organisations with far greater purchasing power. And, though the consultation proposes a 'revenue neutral' system for 'recycling' auction revenues, there is a risk that this would result in revenues moving from the public sector (e.g. HE institutions) to the private sector (e.g. supermarkets).

Green electricity should be rewarded

Universities and other organisations which buy 100% green electricity will be treated exactly the same as any others under DEFRA's current proposal, despite the fact that by buying green energy, institutions have *de facto* much lower carbon emissions. This scheme will remove any incentive to buy green, when we should be increasing demand for renewables to tackle climate change.

Below we answer some of the questions set by the consultation document.

1. What do you see as the key drivers and barriers to the take up of cost-effective energy efficiency opportunities in the large non-energy intensive business and public sectors?

People & Planet's work has demonstrated that when universities take environmental performance seriously and mainstream it into their institutional management, it is possible for significant reductions in carbon emissions to be achieved, often at a saving to the institution and a benefit to their reputation.

Key drivers have been:

- Public pressure within institutions, notably from students and staff.
- Reputation benefits – corporate social responsibility.
- Cost savings.

One DEFRA proposal will rank institutions in a 'league table' of emissions, and give benefits/penalties to those at the top and bottom. We strongly welcome this for universities, who would react well to the reputational driver.

2. What is your view on the scope for large non-energy intensive organisations to improve their energy efficiency and contribute to the UK's climate change goals by 1.2 MtC by 2020? Do you agree that the sector should be defined by electricity use of more than 3,000 MWh? If not how should it be defined?

4. Would the proposed coverage of the scheme bring in the right organisations, striking an appropriate balance between including as many tonnes of carbon as possible while keeping administrative burdens to a minimum?

There is massive scope for the HE sector to improve energy efficiency. For example, the University of Edinburgh aims to improve energy efficiency by 20% by 2010 (1990 base year) and to cut CO₂ emissions by 40% by 2010 (1990 base year)¹.

However, for universities, the inclusion of institutions only with electricity use of more than 3,000 MWh seems a somewhat arbitrary cut-off point. A proposal for measures to cover the whole of the HE sector would be more fair and appropriate. The current proposal could be divisive within the sector as not all HE institutions will be covered.

3. Do you have views on the following options: (a) examining the scope for improving building regulations in the long term; (b) improving information and advice and (c) industry led agreements to reduce emissions. Are there other new options that could significantly improve energy efficiency in these organisations?

People & Planet welcomes proposals to improve the information and tools available to institutions to help them measure and reduce carbon emissions. This is a crucial, though not sufficient, first step towards reductions.

5. Does the proposed operation of the EPC provide a simple compliance procedure and minimise the regulatory burden on participant organisations? Could the procedures be further simplified while maintaining the integrity of the proposal?

We do not believe that cap-and-trade systems have a proven track record of success in reducing emissions. Despite the fact that these trading systems are the primary political mechanism for emissions reductions internationally, carbon emissions have not been reduced as a result.

A cap-and-trade system would create a massive amount of bureaucracy and uncertainty among institutions. Rather than providing a stable basis for planning and management, a cap-and-trade system would impose a new burden on HE institutions, instead of making use of the sorts of regulatory mechanisms that already exist. Where emissions reduction measures will involve additional costs, institutions must be able to budget for and plan these measures. A cap-and-trade system would not enable such forward planning.

8. What is your view on the role of a voluntary benchmarking and reporting scheme to achieve the proposed emission reductions, or would you prefer a different voluntary approach?

30. Do you think the EPC should include a voluntary or mandatory benchmarking scheme?

Voluntary benchmarking and reporting is not an appropriate response to the problem of climate change. To have a chance of stopping dangerous climate change, and preventing positive feedback effects, we have a limited window of opportunity for action. Global emissions must have peaked and be on a path of continuous decline by 2015. This gives us less than 10 years in which to act. Institutions must be given a clear framework for action and solid support from government for effective measures to reduce carbon emissions.

1 <http://www.eso.ed.ac.uk/Energy/>

Nevertheless, People & Planet would welcome *mandatory* auditing and benchmarking of Higher Education institutions' carbon emissions. There is a need for transparent information and a clear understanding of the starting point for the HE sector, which is a prerequisite for carbon reductions.

21. What is your view on the proposed approach to setting the cap?

Universities are worried about how the cap-and-trade system will deal with institutions who have already cut their emissions. Whatever system is implemented must reward those who have voluntarily cut emissions already. The current proposal could end up with universities not cutting carbon in the next couple of years, in order to get the benefits of doing very well in the first years of the scheme. The scheme must be designed so that there is no disadvantage to starting from a low-carbon position.

We have deliberately kept our response short but would be pleased to provide further information or guidance.

Yours sincerely,

Robbie Blake and James Lloyd

People & Planet