

Facts and news, February 2021

Energy Saving Trust, United Kingdom

National policy updates

The present UK Government was elected on a manifesto which included commitments of £9.2bn for energy efficiency programmes and support for large scale renewables and EVs, underpinned by continued support for the net zero by 2050 target. The onset of Covid-19 and the associated economic impacts, resulted in several 'green recovery'-focused policies, the most notable of which being the Green Homes Grant.

The **Green Homes Grant** looked to subsidise the installation of energy efficiency measures and renewables in 600,000 homes in England with funding of £1.5bn for the private sector (and a further £0.5bn for social housing). However, as of late January 2021, only 5% of the total funding had been allocated and the remaining funding appears unlikely to be rolled over into the next financial year.

Another major policy driver over the previous 12 months has been preparations for COP26, due to be held in Glasgow in November 2021. As part of these preparations, the UK government has published the '**10-Point Plan**' for a green recovery, which prioritises low-carbon transport, improved energy efficiency of homes and large-scale renewables (particularly offshore wind). It is expected that the UK government will commit to further green investments ahead of COP26. The opportunity to reduce VAT on green products and services seems likely, particularly as this will be the first opportunity to use these new powers following the end of the transition period on December 31st 2021 and the UK's exit from the European Union.

The UK's 10-Point green recovery plan:

1. **Offshore wind:** Producing enough offshore wind to power every home, quadrupling production to 40GW by 2030, supporting up to 60,000 jobs.
2. **Hydrogen:** Working with industry aiming to generate 5GW of low carbon hydrogen production capacity by 2030, for industry, transport, power and homes, and aiming to

- develop the first town heated entirely by hydrogen by the end of the decade.
3. **Nuclear:** Advancing nuclear as a clean energy source, across large scale nuclear and developing the next generation of small and advanced reactors.
 4. **Electric vehicles:** Backing car manufacturing bases to accelerate the transition to electric vehicles and transforming national infrastructure to better support electric vehicles.
 5. **Public transport, cycling and walking:** Making cycling and walking more attractive ways to travel and investing in zero-emission public transport of the future.
 6. **Jet Zero and greener maritime:** Supporting difficult-to-decarbonise industries to become greener through research projects for zero-emission planes and ships.
 7. **Homes and public buildings:** Making homes, schools and hospitals more energy efficient by 2030, and a target to install 600,000 heat pumps every year by 2028.
 8. **Carbon capture:** A target to remove 10MT of CO₂ by 2030 through carbon capture.
 9. **Nature:** Protecting and restoring the natural environment, planting 30,000 hectares of trees every year, whilst creating and retaining thousands of jobs.
 10. **Innovation and finance:** Developing the technologies needed to reach these new energy ambitions and make develop the green finance sector.

Energy

Nest is part of the Welsh Government Warm Homes Programme, which aims to **tackle fuel poverty** in Wales and increase resident's health and wellbeing. It is a demand-led scheme providing advice and home improvements to **low-income and vulnerable households** and has been running since 2011. Energy Saving Trust works with a UK energy supplier (British Gas) to manage the scheme on behalf of the Welsh Government.

Nest offers free **advice** and support to everyone in Wales, including benefit entitlement checks and signposting for schemes and discounts on energy bills. If a customer meets the eligibility criteria, they can access funding for home **energy efficiency improvements**, such as a new boiler, central heating system or insulation. The scheme funding is available to homeowners and private renters in Wales, who live in an energy-inefficient property. The efficiency of the property is determined by the Nest Home Energy Check. To be eligible, people must also be below an income threshold, or have a chronic respiratory, circulatory or mental health condition.

In 2019-20, Nest provided 15,823 households with tailored advice and referrals to third party

services. During 2019-20, the Welsh Government invested £20.6 million through Nest measures and since 2011, Nest has provided free home efficiency improvements to over 42,000 households.

Energy Industry Voluntary Redress Scheme

Energy Saving Trust continues to distribute Energy Industry Voluntary Redress funds, on behalf of the UK energy regulator, Ofgem. The funds are provided by energy companies to redress harm caused to consumers when things go wrong.

Since the start of this programme in 2018, Energy Saving Trust has distributed £30million to over 200 projects delivered by UK charities to support vulnerable energy consumers and innovation in the energy sector. The projects provide energy advice and support people in fuel poverty, living with disabilities or suffering social exclusion. It has also provided capital funds for home energy saving measures and pilot projects trialing new approaches to affordable low carbon energy, including renewable heat and community energy projects. In late 2020 a new fund was announced, distributing Energy Redress funds to projects working to reduce carbon emissions and address barriers to the UKs net zero carbon target.

There has been a high level of interest in the scheme with over 750 charities having registered in the scheme. Energy Saving Trust will continue deliver the service for another year. Outcomes from the Energy Redress funded projects are being recorded through the grant reporting mechanism and these will be shared publicly along with learnings from the projects. Further information is available on the [Energy Redress website](#).

Transport

Transport has been severely affected by the Covid-19 pandemic in the UK with significant falls in all forms of transport of people. There is a trend back to previous levels with traffic returning to the roads as the UK population start to travel again and there is a potential bounce back of travel habits.

Energy Saving Trust has been supporting UK and Scottish government with some important new programmes to mitigate against the impact of the pandemic. Energy Saving Trust's largest ever transport-focused consumer programme was in response to Covid-19. The **Fix your bike** scheme supports people in England to return old, unserviceable bicycles to the road by providing them with a £50 voucher to assist with repair and servicing costs. The Fix Your Bike voucher scheme launched in July 2020 and was very popular with people looking to get bikes repaired.

In Scotland, there has been **support for operators of public transportation** including taxis who have benefitted from a scheme to support them make upgrades to their vehicles to reduce the risk of virus transmission. This scheme has seen screens and sanitiser dispensers installed in vehicles used by the public for transportation.

There are opportunities arising from the pandemic that should see an acceleration of sustainable transport. Energy Saving Trust is also working on the **transition to e-mobility** with pure EVs now selling in good numbers in the UK (7% market share, compared to 2.7% last year - Jan 21 source: SMMT), even during the pandemic. This transition is now well underway with a date of 2030 now likely for the end of sales of petrol and diesel vehicles. The 2050 net zero target for the UK, and devolved nation's respective targets, is focusing the mind of politicians and following the pandemic and Brexit, there is a strengthening desire for decarbonisation amongst the British public and businesses.

International

Energy Saving Trust continues to jointly deliver the [Low Energy Inclusive Appliances](#) programme (LEIA) with US NGO CLASP. The project aims to accelerate the availability, affordability, efficiency and performance of a range of low energy inclusive appliances, particularly appliances suited for use in lesser developed countries. This includes technologies such as off-grid refrigeration, solar water pumps, fans and televisions. The programme is five-years long and is funded by the UK Foreign, Commonwealth and Development Office (FCDO), with additional funding from IKEA Foundation. The following activities are all initiatives included within LEIA.

- Energy Saving Trust co-chairs the Efficiency for Access Secretariat with CLASP. [Efficiency for Access](#) is a global coalition working to promote high performing appliances that enable access to clean energy for the world's poorest people. It is a catalyst for change, accelerating the growth of off-grid appliance markets to boost incomes, reduce carbon emissions, improve quality of life and support sustainable development. Efficiency for Access consists of 15 Donor Roundtable Members, 10 Programme Partners, and more than 30 Investor Network members. Current Efficiency for Access Coalition members have programmes and initiatives spanning 44 countries and 22 key technologies.
- The [Efficiency for Access Research and Development Fund](#), managed by Energy Saving Trust, aims to accelerate the availability, affordability, efficiency, and performance of a range of appliances that are particularly suited to developing country contexts and promote social inclusion. In the past year, the Efficiency for Access Research and Development

Fund has supported 35 organisations with over £5 million in funding and facilitated a further £1.5m to 12 electric cooking projects with funding from UK aid.

- The [Efficiency for Access Design Challenge](#) is also delivered by Energy Saving Trust, with the support of Engineers Without Borders UK. It is a global, multi-disciplinary competition that empowers teams of university students to help accelerate clean energy access. Beginning in September 2019, the Efficiency for Access Design Challenge invites teams of university students to design affordable and energy-efficient appliances and technologies for low to middle income countries. By bringing together and inspiring university students, the Efficiency for Access Design Challenge's goal is to foster innovation in the off-grid appliances sector. The competition also seeks to address barriers limiting market expansion in this area. Year 2 began in September 2020, with around 200 students from 19 registered universities from Bangladesh, Ethiopia, India, Kenya, Nepal, Uganda and the UK are participating in the Challenge. The Challenge will end with a Grand Final event in June where the winners will be announced.