

Hart S (Sarah)

From: Fiona Moriarty [Fiona.Moriarty@brc.org.uk]
Sent: 11 June 2007 12:18
To: Hart S (Sarah)
Subject: Energy Efficiency and Micro-generation: Achieving a Low Carbon Future: A Strategy for Scotland - draft for consultation
Importance: High

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Dear Sarah,

Please find attached the SRC response to the Scottish Executive Energy Efficiency and Micro-generation Draft Strategy.

Should you have any further questions please do not hesitate to contact me.

Kind regards,

Fiona Moriarty
Director
Scottish Retail Consortium
www.scottishretail.org.uk

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Ref: FM/PS
11 June 2007

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Ms S Hart
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Energy Efficiency Unit
Scottish Executive
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Dear Sarah

ENERGY EFFICIENCY AND MICRO-GENERATION: ACHIEVING A LOW CARBON FUTURE: A STRATEGY FOR SCOTLAND - DRAFT FOR CONSULTATION

The Scottish Retail Consortium (SRC) welcomes the opportunity to comment on the Scottish Executive's energy efficiency and micro-generation strategy. Micro-generation will clearly play a part in the Executive's aim of tackling climate change, and thus providing a sustainable future for Scotland. We would like to offer comments on this strategy in relation to the promotion of energy efficiency and micro-generation in Scotland.

The retail industry acknowledges the contribution it can make to reducing carbon emissions, for example by introducing new technologies and business solutions into its day to day operations. As a customer facing industry the retail sector is uniquely placed to alter individual habits through the promotion of energy saving alternatives and consumer education, influencing customer's behaviour in order to encourage reductions in their personal consumption of greenhouse gases.

The Executive's target of generating at least 40% of Scotland's electricity demand from renewable sources by 2020 is commendable, and we believe the retail sector is well positioned to help achieve this increase in consumption from renewable technologies.

The Executive has a key role to play however in providing the necessary market incentives to promote positive business behaviour, but perversely currently taxing business investment in micro-generation, as these forms of renewable technology are valued for rating purposes.

Thus the SRC believes one of the areas where the Executive should be considering making changes in order to accelerate the uptake of micro-renewable technologies is through the rates system. For valuation purposes there is no distinction between small-scale renewable energy plant and traditional fossil fuel burning power generators. Accordingly an inconsistency has emerged where retailers who look to reduce their carbon emissions by investing in renewable technologies are penalised with an increase in business rates bill. This policy of rating renewable energy plant and machinery is thus creating a disincentive for investment in solar panels and wind turbines.



ANNEX A

UK Retail Sector Initiatives promoting Energy Efficiency throughout the supply chain

Currently UK retailers are investing heavily in a number of initiatives to promote and ensure they operate in an energy efficient manner, as well as promoting schemes that reduce the demand for fossil fuels as a means of producing their energy requirements. These issues cover a range of areas and are summarised below.

Education:

One UK retailer produces an Energy Awareness Manual, which is distributed to all branches and provides detailed guidance on when and how to use energy efficiently. Each branch's energy consumption is constantly monitored and branches are informed of their performance month by month. This enables monitoring of trends, identifying problems quickly and sharing best practice. All branches have nominated energy managers, and are given guidance on practical energy efficiency tips through the Energy Awareness Manual and training programmes.

Other retailers are also encouraging staff to take simple steps to save energy at work and at home by, amongst other things, having energy champions in each store to raise awareness of the need to save energy, giving staff simple checklists to help them monitor store energy consumption, producing a staff energy training video and encouraging store managers to be fully accountable for the energy use in store.

Energy efficiency:

One BRC member has introduced a lighting replacement programme which has seen tens of thousands of older, halogen display lighting replaced with more efficient, ceramic metal halide alternatives. The same retailer has also invested more than £30 million upgrading refrigeration equipment which has already reduced demand in some cases by 15%.

UK retailers are working effectively to comply with European requirements. One no longer uses CFCs and replaced HCFCs with HFCs, in advance of European Union requirements. They constantly test alternatives to HFC and when they discover suitable alternatives which have a lower overall impact, they change specifications.

Another has taken the opportunity to supply 450 stores and its headquarters with electricity generated by good quality combined heat and power (CHP). In 2005/06 all their stores in the UK will be supplied in this way. As certification of green energy improves, they will be gradually reducing CHP supply to stores and increase green energy supply.

Another UK retailer invested more than £14 million in energy efficiency programmes in the UK. These energy efficiency projects alone, have contributed to an 11 per cent decrease in carbon emissions.

UK retailers are, through a building management system, monitoring the use of electricity and temperatures in their stores. This helps to identify any faults or malfunctions and ensures that equipment such as door zone heaters and lighting is switched off automatically when the stores are unoccupied or outside trading hours.

Renewable energy:

One BRC member has 70% of branches solely supplied with renewable grid electricity. The same retailer is also actively supporting research into new renewable technologies and programmes to commercialise the availability of renewable energy. They are one of the primary commercial sponsors of Thames Valley Energy (TV Energy), an agency formed to stimulate, encourage and facilitate the development of renewable resources in the Thames Valley area. TV Energy is charged with promoting renewables.