



# Green Economy Study for the TUC

Innovas Solutions Ltd  
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# Introduction

**The key questions the study aims to address are:**

- What would an effective industrial policy look like to support a green economic recovery and achieve our climate change targets for the long term.**
- Are current rates of progress sufficient to secure the green transition necessary to meet the CCCs carbon reduction targets?**
- What are the key barriers to overcome in achieving the transition to a greener economy?**

**The focus is on the CCC priorities: Energy, Transport, Energy Efficiency at home and at work**

# Energy

**Targets** – 15% of electricity generated from renewable energy by 2020, 80% carbon emission reductions by 2050

**Incentives** - Renewable Obligation Certificates, Feed in tariffs, Renewable Heat Incentive

**Issues** –

- 2020 target needs extending – how far?
- Changes to incentives poorly done
- Stop-start market
- Ofgem highlight potential energy shortages in 2015
- CO2 target for Energy Bill unresolved
- Ageing workforce in nuclear, gas and electricity, workforce in wind

**Recommendations** –

- Clarity in long term energy policy
- Long term pathway to achieving 2050 carbon emission targets
- Transitional mix of energy technologies
- Skills programme integrated into the policy

# Transport

## **Targets –**

- 1.7 million electric and plug in hybrid cars, 135k vans by 2020
- 8% biofuels by 2020

**Incentives** - £5k grant, plugged in places, company car tax, advantageous tax rates for biofuels

**Current numbers** – 2.6k electric with 102.3k hybrids

## **Issues –**

- Charging infrastructure not UK national yet,
- Electric vehicles to date have a limited range,
- 50% of UK vehicles are purchased by fleets, low residual values
- High initial cost of low carbon vans,
- HGVs improving efficiency but more can be done,
- Biofuel source material mainly imports from dual use crops

## **Recommendations –**

- Continuation of grants and company car tax breaks for EVs,
- Faster roll out of charging infrastructure funded by government
- Support on residual values for company vehicles

# Energy Efficiency

**Incentives** – Green Deal, Carbon Reduction Commitment

**Current** –

- Loft and cavity insulation levels meeting targets,
- Solid wall is well behind
- New energy management systems and better building designs being implemented,
- Industry taking on board in general and seeing cost benefits
- Energy Performance Contracts supporting implementation

**Issues** –

- Numbers of CSH higher levels is low on new build,
- Lack of clarity around Green Deal,
- Training and skills

**Recommendations** –

- Better clarity around Green Deal,
- Adoption of flexible funding options for public sector
- Proper training of procurement staff in green technologies, services and processes

# Skills and Training

- Only 30% of companies surveyed by SummitSkills have any interest in taking part in the Green Deal scheme, and of those that are, only a handful are considering undertaking any further training for their staff in relation to GD
- Currently engagement by the BSE industries in environmental technologies outside of GD is very low, i.e. between 5% and 30% across the range of available technologies, and installation rates are very low
- The 'vacuum' created by the lack of proper regulated training facilities has resulted in 'peripheral' training companies offering short courses in the installation of environmental technologies claiming to create environmental engineers. The courses are expensive to the learner, and do not make a competent installer
- There is an ageing workforce in critical energy sectors including nuclear, gas and the electricity distribution network
- The number of apprenticeships in the Construction industry has fallen from 20,700 in 2006/7 to 9,330 2011/12
- The estimate is that there could be about 800,000 training opportunities in the renewable energy sector alone up to 2020 to meet the current targets ..but

# General

- **Funding for projects and companies is available however accessing this is not easy – more cautious approach**
- **One of the main routes for funding projects in the regions (RDAs) has been removed and alternatives need to be developed quickly**
- **Public sector procurement needs to be improved**
- **The messages from the UK government is mixed leading to lack of confidence in the market and hence lack of investment in equipment, research and people**
- **Independent Energy Authority**