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Innovation & Investment for a Low Carbon Future

No, our world did not stop on Monday 13th September 2010, but significantly the National Grid recorded the spinning turbines generated 10% of UK electricity off the Kent coast. Yes, it was in windy weather conditions while demand was lower than normal and other sources not being fully used. However this marked the milestone in UK energy use. In case you missed another milestone, on 23rd September 2010, Chris Huhne, Secretary of State for Energy and Climate Change launched the largest off shore wind farm off the Isle of Thanet, East with more to come. Unfortunately these turbines standing two and a half times higher than Nelsons Column were not produced or erected by a UK workforce.

This highlights the missed opportunity that needs rectifying if we are to have a double benefit from progressing the low carbon economy i.e. reducing our carbon emissions and stimulating a new clean technology industry with green jobs growth.

It emphasises the case for placing the low carbon transition at the centre of our economy recovery that's socially and environmentally sustainable. While there is a policy consensus within the coalition government and labour opposition the long-standing credibility gap is highlighted by the lack of investment to stimulate innovation, production and market. There is no mystery to China's acceleration in production to become the world's leader in solar and soon to be in wind turbines and other green technologies, it's a combination of committed leadership and investment. With this comes economy of scale that makes them cutting edge competitors in this rapidly expanding global market. Lord Stern in his Review presented the compelling financial facts and opportunities of investing in the low carbon future. Furthermore he also identified how it will cost us more if we don't do it.

Charles Hendry, Minister for Energy and Climate Change in his Chatham house speech in June 2010 stated.

'Embracing a low carbon economy will be as momentous as the previous industrial revolutions as the shift from coal to oil and from gas light to electric light. It has the potential to give us the competitive edge in the new global economy. The scale of the challenge is extraordinary. We will need to reinvent the way we live our lives, the way our world works.'



The low carbon market is worth £112 billion per year, an increase of £5 billion per year since 2008, which is set to rise by £48 billion per year by 2015. We export more goods in this sector than we import and our biggest export markets in this sector are China, Spain, South Korea, Malaysia, and India – countries where energy demand is set to increase dramatically.

The Government is determined to secure those low carbon jobs for Britain. Just under a million people work in the low carbon sector [910,000]. Encouraging low carbon skills to help green jobs grow will be crucial. To remain competitive globally, British businesses will need skilled employees to match the pace.

We need a united parliamentary party consensus translated into a Low Carbon Innovative, Investment Action Plan to transform rhetoric into deliverables to meet and go beyond our 2020-2050 targets. The scale and urgency of the climate change challenge identified by overwhelming scientific evidence and 200 countries in the United Nations demands corresponding action.

DESERTEC, a European (EU) Middle East (ME) and North Africa (NA) partnership initiative represent the world's biggest renewable energy project that can generate and deliver 100% of their electricity by 2050. It will include a smart grid that links the most productive sources from Iceland's geothermal springs to North Africa's vast solar deserts as well as European coastal wind, tidal and wave power. It's more than a vision which is represented in the report by PricewaterhouseCoopers.

http://www.pwc.co.uk/pdf/100_percent_renewable_electricity.pdf

This requires a green stimulus new deal that can rebuild the manufacturing base of Britain with the innovative clean smart technologies of the 21st century. It can reduce our energy imports and drive new export as a double or triple whammy. Retrofitting our building both home, commercial and public sector can be major part of this. This is even more so, with capitalising on the feed-in-tariff this year and promised Renewable Heat Incentive next year. Our energy companies can be major capital investors in large scale renewable projects such as schools, hospitals, local authority estate and housing associations or business parks.

The key is with economy of scale in procurement and productive delivery. The energy companies or other investors from private equity to public organisations can be partners in ESCO's (Energy Services Companies) with beneficial pay back for both. Typically this could feature combined heat and power with a range of options for decentralised renewable sources and local smart grid. With supportive appropriate inductive training the white van man / woman can become the green army for installing and servicing.

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