

Balance Trading – a new policy tool to deliver carbon neutral housing development

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Principles of Balance trading – localised carbon offsetting

From principles to practice

- Key issues
- R & D project
- eaga-SECBE project
- Reigate & Banstead feasibility study and pilot projects
- Carbon Neutral Neighbourhoods and fuel poverty

Principles of Balance Trading – localised carbon offsetting

- net carbon emissions from new development offset by compensating (balancing) investment to finance energy efficiency measures and /or renewables to retrofit nearby neighbourhoods
- plugging the (diminishing) gap between the standard achieved and CSH level 6
- minimising the increase in carbon emissions resulting from new housing development, especially in ‘growth areas’
- responds to pressures for action to retrofit existing stock
- Antidote to ‘nimbyism’ – origins in SDC report & TGW

UK Green Building Council report *The definition of Zero Carbon Housing* to incentivise developers to address the problem in a hierarchy of

- energy efficiency for which minimum requirement to be set
- on- or near site zero carbon technologies – minimum requirement
- offsite technologies – mechanisms needed for allowing these as a ***last resort*** such as payments into a Community Energy Fund to fund installations close to projects that have paid into the fund

BT is such a mechanism

- the model – emissions calculated and allowance made for on-site renewables

Balance via offsite investment through Carbon Offset Fund or Low Carbon Fund

- for each new home fully insulate 3 existing homes saving average of £160per annum or subsidise renewables

From principles to practice

Key issues

- LA lead – policies and implementation processes
- planning policies for sustainable construction and renewable energy to include carbon neutral housing development using BT
- highest CSH and renewables requirements that can be justified and BT to achieve offsetting to deliver neutrality
- additional offsetting if development not quite meeting standards e.g. small sites, conservation areas to enable development to go forward
- policies have to be included in DPDs that subject to public enquiry and elaborated in SPDs for Sustainable Construction & Planning Tariffs
- Creation of a Community Carbon Reduction Fund – transparency of investment & pricing structure to deliver emissions reductions
- a hard line not a soft option

eaga R&D project

- to clarify and address key issues
- national level – lobbying government – core cities group – encouraging but time needed to get policies in LDFs
- discussions with dozens of developers identified policy and delivery issues
 - should not an additional contribution
 - clear LPA support needed in short term for voluntary pilot schemes
 - Community Carbon Reduction Fund should be at arms length from LA and make clear how funds invested

eaga-SECBE Balance Trading in South East project

- reviewing emerging LDFs in South East – emphasising growth areas
- initial survey (before the crunch)
 - 50% plus LPAs developing SPDs on Sustainable Design and Construction
 - 40% plus committed to CSH 3 now and further 30% had or were developing proposals for CSH 4
 - Some 15% were developing proposals for carbon neutral housing development, using carbon offsetting
- follow up work to identify potential voluntary pilot projects
 - developing case studies of carbon offsetting schemes in Milton Keynes and Ashford
 - identifying ‘willing LPAs’ and ‘willing developers’
 - constraint of deteriorating market conditions

Reigate and Banstead Feasibility Study and Pilot Projects

Policy

Draft Core Strategy includes Policy 11 Sustainable Construction to deliver carbon neutral housing

- A three phase increase in the CSH level requirements rising from Level 3 up 2010, through Level 4 to 2013 to Level 5 during the period to 2016 and Level 6 thereafter
- 10% of the reduction in predicted energy use to be achieved through renewable energy and
- ‘until such time as Zero Carbon Building Standards are being met (Code Level 6) Carbon Neutrality must be achieved by making a financial contribution to the Local Carbon Offset Fund, proportionate to the difference between Target Emission Rate and the total energy demand to enable residual carbon emission rates to be offset elsewhere in the Borough’

– Evidence base ??

- rationale – national support UKGBC – emerging SEEDA policies for eco retrofitting existing houses
- developer support for flexibility

Delivery

- parallel research into governance of Low Carbon Funds – now developing this
- the quest for a volunteer developer to establish build the first carbon neutral development in Reigate and Banstead

BT and Carbon Neutral Neighbourhoods

- Carbon blind pathfinders
- Emerging support for strengthening area based component of carbon reduction and fuel poverty programmes