

Daniel Collier
Deputy Committee Clerk
Committee Service
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Re Enterprise and Learning Committee Meeting 20th May 2010

Dear Mr Collier,

I'd like to take this opportunity to thank you for inviting Rockwool to give evidence to the committee. As a company we have a keen interest in the issues around jobs and skills in the Green Economy and wish to offer support wherever we can e.g. when we had to make some of our people redundant last year, we helped to set them up as installers - Easy Rock is an example of this, a local Welsh team of two who are now offering insulation installation in the South Wales area as a direct result of our help and training.

As mentioned in point 27 of the briefing notes we are enclosing details on the Community Energy Saving Programme (CESP), Carbon Emissions Reduction Target (CERT) and the number of jobs that can be created by these schemes. These details have been taken from a report being prepared by the Green Business Skills Forum for the Heads of the Valley being organised by Business in the Community Wales.

The Green Business Skills Forum was established this year to ensure that the collective voice of business influences the skills that are available in the existing workforce and for new entrants into the world of work. The Forum is working with a number of businesses from large corporates to SMEs, some indigenous to Wales and some interested in investing in the Heads of the Valleys. Rockwool has played a leading role in creating the first analysis of number of jobs likely to be created in the green economy as part of the regeneration of the Heads of the Valleys.

If we can be of any further assistance or offer any further information please do not hesitate to contact us.

Yours Sincerely

Kathryn James
Public Affairs Officer

Carbon Emission Reduction Target (CERT)

CERT is an obligation by gas and electricity suppliers started April 2008 and ending March 2011 with the target of 185 million lifetime tonnes of CO₂ saving. It is almost certain that the obligation will be extended to 293 million lifetime tonnes and extended to December 2012. In terms of cash it is estimated that the funding could be as much as £1billion+ a year. The governments' prescription is 75% of the measures to meet this target will be insulation, 12% lighting, 8% heating and 5% appliances.

Translated into insulation measures the first 7 quarters of the scheme have generated approx 1 million cavity wall installation measures, 1.25million loft insulation measures and 22,000 solid wall insulation measures. These figures do not include DIY loft insulation measures which are included in CERT.

Community Energy Saving Programme (CESP)

CESP is a pilot scheme based on CERT but with four major differences.

1. Measures must be installed in particular areas of deprivation classified as CESP areas.
2. It obligates the power generators as well as the power suppliers
3. There is a bonus structure which provides uplift of carbon tonnes saving. For example External Wall Installation receives an uplift, installing more than one measure receives an uplift and also there is a property density uplift.
4. CESP is targeting a whole house approach through the installation of multiple measures

The pilot scheme will deliver £350 million in terms of measures, and is anticipated to treat 90,000 houses over approx 100 projects. The programme started September 2009 and will run until December 2012

CERT is focused upon the delivery of low cost measures (e.g. cavity wall insulation), CESP is geared to deliver a whole street / community approach, which basically means delivering a number of different measure into one property in order to improve the whole energy efficiency of that property. These measures installed under CESP are likely to be more expensive (e.g. external wall insulation) than those measures delivered under CERT.

CESP will attract greater funding than CERT on an individual property basis. For instance, under CERT external wall insulation of a three bedroom semi has a carbon saving score of 66 CO₂ tonnes saving.

Under CESP with a +200% uplift the carbon score jumps to 198 tonnes. Add a +50% bonus and the score is 297 tonnes. If in this instance the utilities paid £15/tonne under CERT the measure would receive £15x66 =£990. However under CESP it would receive £15x297 =£4455 which makes the measure more viable.

Table 1 – CESP qualifying actions and the associated uplift as an individual measure and as part of whole house measures

<i>Description of qualifying action</i>	<i>Individual</i>	<i>Whole</i>
Cavity wall insulation	-50%	10%
Connection to a district heating scheme	0%	40%
District heating meter for individual house billing	0%	10%
Double glazing	0%	10%
Draught proofing	0%	10%
Flat-roof insulation	0%	10%
Fuel switching	0%	40%
Heat pump	50%	50%
Heating controls when provided with a new heating system	0%	10%
Loft insulation	-50%	10%
Replacement boiler	50%	40%
Solid wall insulation (external)	200%	50%
Solid wall insulation (internal)	200%	50%
Under-floor insulation	0%	10%
<i>Microgeneration measures consisting of:</i>		
Biomass boiler	50%	40%
Micro combined heat and power unit	50%	10%
Micro Hydro unit	0%	10%
Micro Wind unit	0%	10%
Mini-wind unit	0%	10%
Photovoltaic panels	0%	10%
Solar water heater	50%	10%

Job Creation

The Funding Sub Group of the BITC's Green Business Skills Forum believes that, based on the information from construction in road building that this sector could create up to 4,000 jobs in the Heads of the Valleys. Of course not all of these will be permanent as there is much contract work, and not all will be green jobs. However, there will be a need for skills development and training in:

- Contaminated material management
- Sustainable reuse of materials
- New construction methods
- Landscaping design and delivery
- Environmental mitigation specialism (ecology, noise, vibration, water quality, agriculture, flood risk, hydrology etc)
- Traffic modelling

ROCKWOOL®

The pool of people recruited and trained in basic skills for construction and NVQ2 could use this basic training as a stepping stone to progress into specialist green skills and highly skilled jobs.