



## The All-Party Parliamentary Group on Energy Costs

Chair: Alan Brown MP Co-Chair: Lord Palmer Vice-Chairs: Lord Deben, Peter Aldous MP, Julie Elliott MP, Lord Haworth, Lord Whitty

Formal details of the Group on the Parliamentary website are available at: <https://publications.parliament.uk/pa/cm/cmallparty/210127/energy-costs.htm>

### APPG Meeting 28 April 2021 Chat Stream

Time	Name	Message
00:30:35	chris harris:	Neil. Yes a tax-carbon-spend-on-welfare solution can work and you note that the social security net has to upgrade to find those harmed. Fuel Poverty Committee also notes inefficiency of benefits. Any ideas for how to upgrade the net?
00:33:52	Phil Royal:	Please indicate here if you want to ask a question and the Chair will call upon you.
00:36:55	Simon:	I have a question please
00:38:35	David Lewis:	What is a reasonable estimate of the percentage of demand that could be available at any one time as demand response? <input type="checkbox"/>
00:38:45	Tobias Schreiner:	Sophie: do you have any estimations on how much demand side responses as measures of balancing services could reduce current expenditures for balancing services which are projected to stand at £1bn?
00:39:37	Lisa Waters:	We seem to curtail a lot of wind due to constraints.
00:40:27	Lisa Waters:	The CM is not good for DSR - you could be called off for days - most customers do not want that. We need DSR that works for demand, that is not the CM.
00:44:03	George:	Hi George (Major) National Grid spends circa £150m pcm balancing the network. Isn't the question how do we store electricity for heating homes etc in the winter? I agree demand side response for all will be useful.
00:45:05	George:	5%
00:45:07	chris harris:	5% domestic gas
00:45:16	Mike:	5% domestic VAT; 20% business
00:46:11	chris harris:	energy VAT did for Norman lamont !
00:46:23	Mike:	5% VAT also applies to electricity domestic
00:47:30	David Lewis:	Domestic consumers of both gas and electricity pay the same level of gas. The issue is that electricity carries a lot of policy costs which make switching from gas to electricity for heating very expensive.
00:52:34	Steve Freeman - paper sector:	How can we keep energy intensive foundation industries manufacturing in the UK if their energy costs are higher than outside the UK? Is the UK ambition running faster than other nations and also faster than the availability of cost effective low carbon alternatives?
00:53:12	David Lewis:	Market prices went to nearly £2,000/MWh in March. Even with demand nowhere near the peak we have needed to run diesels when wind output is low.

**Chair: Alan Brown MP Co-Chair: Lord Palmer Vice-Chairs: Lord Deben, Peter Aldous MP, Julie Elliott MP, Lord Haworth, Lord Whitty**

Formal details of the Group on the Parliamentary website are available at: <https://publications.parliament.uk/pa/cm/cmallparty/210127/energy-costs.htm>

00:54:04	Lisa Waters:	The forecast margin over winter was c4.5GW - we had nuclear plant off, 3 large plants in administration and now Sizewell ahs gone off - I'd rather have the CM and the lights on until we find a new way to do this!
00:58:22	Simon:	When we sit here in 2030 and look at how we achieved our new 2030 target, do you think we will say it will have been met by simply continuing to decarbonise the power supply? Or will we have had to sort out some funding, either public or private, to make more significant changes eg retrofitting nearly half a million homes with heat pumps per year?
01:00:41	Phil Royal:	I have heard it said that air source heat pumps can be inadequate in the winter. Is that the general view?
01:01:09	Lisa Waters:	We need to recognise that we are talking about moving demand, not always reducing it. In the summer it is very expensive to manage the system with low demand. We see some society changes, like holidays in October not August.
01:01:48	Jerry Stokes:	ASHP's are less efficient than GSHP's in the winter.
01:04:57	Jerry Stokes:	There are hundreds of GWh of potential pumped hydro sites which can provide energy storage between seasons, can use excess / otherwise curtailed energy to pump the water and can discharge for up to 18 hours.
01:05:45	Phil Royal:	If anybody would like to suggest some topics for future APPG meetings please email me at phil.royal@btinternet.com
01:09:53	Steve Freeman - paper sector:	Heat pumps work at a lower temp than gas central heating, so you need higher levels of insulation and larger radiators. As said by Jerry, air source pumps use the outside temp air, so are intrinsically less efficient than ground source at lower temp (the ground temp being stable at around 7 degrees).
01:11:12	Phil Royal:	When will Government require new homes to be built to acceptable standards? Virtually all current build will need to be retrofitted.
01:11:18	Lisa Waters:	How do we do the training for the people to fit the new technologies?
01:13:44	Steve Freeman - paper sector:	Part II of heat pumps! The big problem is you swap from 'cheap' gas to expensive electricity. You're also adding a major demand to the grid at times of max demand. And heat pumps are most efficient when operating for long cycles, so don't work well if they trip on and off (say by remote grid demand mechanism). Installation costs for air source are around £4k higher than a gas system - ground source much more. Also note that ASHP's are noisy!
01:16:18	Steve Freeman - paper sector:	Older district heating systems were often badly designed and expensive for users - so tend to have a poor reputation and be unpopular.
01:17:10	Tobias Schreiner:	Sophie: you mentioned the necessity for price signals on a local level. Do you have proposals / briefings on local pricing schemes at RAP?



## The All-Party Parliamentary Group on Energy Costs

**Chair: Alan Brown MP Co-Chair: Lord Palmer Vice-Chairs: Lord Deben, Peter Aldous MP, Julie Elliott MP, Lord Haworth, Lord Whitty**

Formal details of the Group on the Parliamentary website are available at: <https://publications.parliament.uk/pa/cm/cmallparty/210127/energy-costs.htm>

01:18:08	Simon:	HPs are less noisy than they used to be, and part of the issue on cost is imbalance of levies on gas vs electricity so that needs sorting. And yes consumers will need to be advised how to use different technologies most efficiently, eg leaving HPs running at lower temperatures for longer rather than the way most use gas boilers. Up front cost undoubtedly an issue and will remain so.
01:18:45	Steve Freeman - paper sector:	For Energy Intensive manufacturing, the energy use pattern tends to be flat so hard to respond. By contrast industrial on-site generation can have a major role by being designed to be flexible in operation.
01:21:12	Lisa Waters:	thank you.
01:21:38	George:	Thank you very good. George