

David Cameron: Power to the people

Conservatives have today published a Green Paper on decentralised energy – *Power to the People: The Decentralised Energy Revolution* – setting out ways of changing the architecture of Britain’s energy supply to enable every small business, local school, hospital and household in the country to generate electricity through micro-generation.

Launching the Green Paper today at a speech in North London hosted by Greenpeace, David Cameron said:

(Check against deliver)

INTRODUCTION

I want to start by thanking Greenpeace, not just for hosting today’s event, but much more importantly for all you’ve done over the past thirty six years to make our world a better place through your campaigning.

Of course we don’t agree on everything – and I suspect you would be rather concerned if we did.

After all, it’s your job to put pressure on politicians, and that will often mean taking positions and taking action that go further – sometimes much further - than we are able to go.

But I believe that what you do is vital for our democracy.

Always raising awareness of the big issues affecting the future of our planet.

Always looking ahead to identify the big changes that will improve the quality of life for people here at home and around the world.

And always developing creative and innovative solutions: not just campaigning against things, but campaigning for things.

You can all be proud of what you’ve achieved, and I’m proud to be standing here with you today.

THE BIG PICTURE

The issue we're discussing today, and the subject of the policy document we're publishing, is decentralised energy – again an issue on which Greenpeace has a distinguished campaigning track record.

But decentralised energy is just one component of a much bigger issue: man-made climate change and our response to it.

And our plans for a decentralised energy revolution in our country are just one component of our vision for Britain's future.

So before outlining the plans we're publishing today, I'd like to place them in the context of the big picture: our vision for the country, and the fight against climate change.

OUR VISION FOR BRITAIN

At our Party conference in October, we set out clearly our vision of change, optimism and hope for our country.

It has three elements.

First, our opportunity agenda.

In response to the 21st century's new world of freedom, where people expect to make more and more decisions for themselves, we want to give people more opportunity and power over their lives.

Second, our responsibility agenda.

We understand that the new world of freedom we're living in can also create a sense of unease, and so in response we want to strengthen the ties that bind society together.

So we will help make families stronger and society more responsible.

And then third, there is our security agenda.

In response to the new world of insecurity, where old threats like crime are matched by new threats like climate change, we want to make Britain safer and greener.

Why do I link those two things?

Because I believe passionately that a greener world will be a safer world.

Safer from the devastation to people and property caused by catastrophic climate events like floods.

And safer from the political instability and turmoil that environmental crisis can cause – whether that's disputes over water, or international migration flows caused by the impact of climate change on the world's poorest countries.

Of course these three elements of our vision – opportunity, responsibility and security – are not isolated from each other.

They are intimately connected, and support each other.

If you give people more opportunity and power over their lives, as a Conservative who is optimistic about human nature, I believe that they will behave more responsibly.

A society where people behave more responsibly will be a more secure society.

And in turn, a more secure society provides a stronger platform for individual opportunity.

Decentralised energy provides a clear example of how this virtuous circle can work.

By enabling people to generate their own electricity, we are literally giving them more power over their own lives.

This really is power to the people.

Once people start generating their own electricity, they will become far more conscious of the way in which they use it - they will become more responsible about energy use and their own environmental impact.

And the overall effect of these changes will be to make Britain greener – to help reduce our carbon emissions and thereby contribute to a safer country and a safer world.

POST-BUREAUCRATIC AGE

But decentralised energy is not just a great illustration of our political vision.

It captures too the essence of our political approach.

In California a few months ago, I started to set out my conviction that we are on the brink of a dramatic turning point in politics – the dawn of the post-bureaucratic age.

In the past, in the bureaucratic age, it was assumed that power and knowledge and information and expertise had to rest with politicians and public officials in the central state bureaucracy.

They were the experts, and so they made decisions on behalf of the people.

But today, the information revolution and advances in technology mean that the politics of the bureaucratic age will progressively become redundant.

We can put real power in people's hands.

And that is what decentralised energy is all about.

It is energy for the post-bureaucratic age.

So just as we argue for decentralisation in the way we run our public services, giving more power, control and choice to parents, patients and professionals...

...we argue here in our green energy plans for decentralisation in the way we generate electricity.

We need to move from a top-down, old-world, centralised system to a bottom-up, new-world, decentralised system.

So decentralised energy is a key part of our political vision.

And it is a vivid illustration of our political approach.

THE CLIMATE CHANGE OPPORTUNITY

But of course we need to remind ourselves why it is such an urgent priority for Britain today – and that is because of a simple fact.

We are failing to meet our targets for carbon reduction, and that in turn makes it harder for Britain to take the lead in making the case internationally for the action that is so urgently required.

I find the Government's lazy, unimaginative and sometimes downright cynical attitude to climate change truly baffling.

Never mind the arguments about domestic and international security – the reality that a greener world is a safer world.

While we must never lose sight of the environmental imperative, there is a compelling case for action based on economic opportunity.

In recent years much of the focus of debate around climate change in Britain has been on changing consumer behaviour.

From controversies over low cost airlines, to the endless green lifestyle newspaper supplements, the emphasis can often feel like an accusatory: "what are you going to do about it?"

And solutions are often perceived to involve higher costs, more tax or some form of personal sacrifice.

While of course it's important that everyone feels empowered to be part of the solution to climate change, I think we need to shift the burden of emphasis from "what are you going to do about it" to "what are we going to do about it?"

We are all in this together and we need to challenge the idea that fighting climate change is nothing more than a burden on consumers.

We need to shift the public debate away from a simplistic focus on the individual and towards a vision of dynamic industrial change, challenging the whole hydro-carbon dependency of our economy.

We need an emphasis on research, innovation, new markets and entrepreneurial solutions.

We need to champion the potential of UK plc to compete aggressively in the new low carbon economy.

And I want the Conservatives Party to champion a positive response to climate change that creates economic and business opportunities for our country.

This is how Governor Schwarzenegger is approaching the challenge in California, and it's what we need here.

OUR CLIMATE CHANGE AGENDA

So our positive climate change agenda is not limited to today's plans for decentralised energy and micro-generation.

Today is just the start.

In the months ahead we will set out our plans to maximise Britain's huge potential competitive advantages in the transition to a low carbon economy.

Thanks to our coastline we have the best wind, wave and tidal assets in Europe which offer a host of marine based renewable opportunities.

Our world leadership in financial services through the City of London offers us the chance to take a lead not only in trading carbon but also in funding investment in the green businesses of the future.

Our world-beating research - at institutions like Imperial College, Cambridge and Southampton Universities can make us global leaders in nascent technologies, and the Hadley Centre and the Met Office are respected the world over for their climate research data.

Current investment trends show that the most successful and progressive

companies are already embracing this agenda with far more ambition than the current government.

According to New Carbon Finance, global investment in new energy alone amounted to \$100 billion in 2006 - up from \$70 billion in 2005.

New Carbon Finance estimate that 65 per cent of this \$100 billion is managed out of the City of London.

The Stern Report estimated that new climate change related markets will be worth over \$500 billion a year by 2050.

So I want us to find ways to align ourselves with the business leaders and entrepreneurs who can help make Britain the world's green leader.

And I want to make it absolutely clear that while our first step today is on decentralised energy - and indeed on just one aspect of that, micro-generation, there is nothing 'micro' about our climate change ambitions.

DECENTRALISED ENERGY

But there's a simple reason I want to start this journey with our plans for decentralised energy and micro-generation.

I believe that the plans we're setting out today represent an exciting vision for the future that can make the sometimes esoteric arguments about climate change really mean something for people's daily lives.

Historically, producing energy in Britain has largely been the responsibility of government and big energy companies.

This process has been heavily reliant on fossil fuels and too much energy is wasted in heat loss and distributing the power to the end-consumer.

There is a different way, based not on large centralised providers but on small, local ones.

In other countries, low carbon energy sources have led a process of decentralisation.

In the Netherlands, for instance, in little more than a decade, combined heat and power (CHP) became the single largest supplier of the country's energy needs.

I want to see a similar revolution happen in Britain.

I do not take a view of which energy sources should be used – I simply want to see them operate on a level playing field.

I want Britain to adopt micro-generation: small providers, including homes and businesses, producing energy for their own use, using a variety of methods from combined heat and power, to wind to solar photovoltaic power.

The policy paper we're publishing today sets out how it can be done.

A new system of 'feed-in tariffs', by which people are paid for the energy they produce, will stimulate diversity and decentralisation of our power supply, as well as incentivise energy-saving.

In Germany, a feed-in tariff system has seen a far faster growth in renewable energy and the creation of over 250,000 jobs in the wind energy sector alone.

There is absolutely no reason why that can't happen here.

NEW CONSUMER MARKET

Our plans will help create a mass market for micro-generation.

The current framework inhibits innovation.

Today, anyone wanting government help to install micro-generators has to grapple with pages of regulations.

We need clear and simple rules to make it easier for households to generate electricity.

Supermarkets and other commercial enterprises with premises could also become generators and suppliers.

Schools, hospitals and community groups too.

This is not a pipe dream: it is tomorrow's world.

The market is ready to respond.

Consumers will be able to monitor how much electricity they are using by installing smart meters that make information readily accessible.

UK manufacturers of central heating boilers such as Worcester Bosch estimate that they will have CHP boilers with smart meters available for the domestic market soon.

You should be able to buy them at Currys or Homebase within the next couple of years.

PLANNING REFORM

Allied to these measures, another essential step to building the decentralised energy market is reform of planning law.

We already have the so-called Merton rule, named after the progressive approach of Merton council which requires developers to incorporate energy generation in new build.

It's a shame this is under threat from Hazel Blears.

I'm delighted that having just topped the Private Members' Bill ballot, a Conservative MP, Michael Fallon, has chosen to propose a measure that will encourage renewable energy at a local level.

His Planning and Energy Bill was introduced in the Commons earlier this week.

It enables local authorities to set renewable and low carbon energy targets for new development, which reinforces the Merton rule.

BENEFITS OF DECENTRALISED ENERGY

The move to decentralised energy will have many benefits.

First, it will help the fight against climate change.

Decentralisation is far more energy and carbon-efficient than centralised energy.

Many micro generators use intrinsically low carbon or renewable energy sources; they also offer the opportunity to capture heat which can then be used for domestic or commercial purposes, and they mean transmission losses are drastically reduced.

Second, it will make a contribution to security that goes beyond the reduced dependence on fossil fuels.

We know that no system is immune to breaking down.

Localised blackouts regularly occur around the world.

The most famous recent example of grid failure happened on the East Coast of the USA in 2003 when whole cities from Toronto to Atlanta were plunged into darkness.

Only the New York sky scrapers that had their own decentralised energy systems remained lit.

By definition, if we decentralise we will be more secure and less vulnerable.

Giving people the chance to generate some of their energy needs close to the point of use can deliver greater energy resilience in the face of hostile action.

Third, decentralised energy could save money.

It could reduce the heavy investment that will otherwise be needed in the National Grid.

All of which could save us billions.

The current infrastructure is due for renewal now.

The choices we make in the next few years will lock in technology for years to come.

The dynamic industrial change unleashed by decentralised energy will enable Britain to become a world leader in the low carbon economy.

It will also provide a tremendous opportunity for public institutions like NHS Trusts, schools and police forces to develop a new revenue stream by selling electricity to the Grid.

Decentralised energy could also offer a particularly attractive source of heat and electricity to lower income households.

It is well suited to social housing and the fuel poor.

Finally, it would transform consumer awareness.

Once consumers start to generate their own electricity, experience shows that they become much more energy conscious as they start to take real steps to balance the amount they consume with the amount they generate.

CONCLUSION

Imagine a Britain of the future where our country is self-sufficient in energy; less reliant on carbon and imports from overseas.

And where energy production is so decentralised that interruptions to the power supply from particular installations would only affect a tiny percentage of the population.

Imagine a Britain where each community is able to meet its own energy requirements instead of relying on a few huge power stations.

Imagine a Britain where individual households make money by selling energy as well as spending money to buy it.

This is the Conservative vision.

Of course, it is not just a Conservative vision.

But there is something of a philosophical divide here.

I know that the Labour government pays lip service to decentralised energy, but really it has only tinkered at the edges.

There's still a 'big government knows best' attitude –straight out of the bureaucratic age.

Still an impulse to tangle everything up in bureaucracy which just holds back innovation and progress.

Under Gordon Brown, government retains the top-down, bureaucratic mindset.

We have the opposite approach: moving from the mainframe mentality to networked knowledge, from top-down to bottom-up; from centralised to decentralised.

Above all, our vision is right for the post-bureaucratic age.

Helping to make Britain safer and greener.

Helping millions of individuals to have real power over their own lives.