

Mike Townsend
CEO of Earthshine Solutions Ltd and
vice chair of EIC Carbon &
Environmental Management
Working Group



Mike Townsend explains that promises must turn to action if the industry is to get the best of new environmental measures

Too much hot air

DAVID CAMERON HAS said that he wants the coalition to be “the greenest government ever”. This sets the bar very high indeed, but how well can we ‘measure’ these words? One key test is whether businesses can move forward with confidence and hasten the pace for change, if we are to get anywhere near becoming a sustainable low carbon economy by 2050.

On the face of it the noises coming from the new government sound promising; they will be keeping EPCs, fully establishing feed-in tariff systems for electricity and maintaining banded ROCs. There are some other useful moves, like promoting waste to energy, establishing a smart grid, roll-out of smart metering and signing up to the 10:10 initiative for 10 percent carbon reduction in 2010. These are all fine intentions, but it is not yet clear how these various initiatives will be supported, how they will work in practice and how they will realise their intended goals. It is a case of ‘early days’, of course.

There are also a few gaps. Having said they wish to establish a ‘floor price’ for carbon and to persuade EU to move towards full auctioning of ETS permits, it is still unclear what the future holds for the CRC Energy Efficiency Scheme. While there have been some ‘teething problems’ in its early stages, there is surely a need to continue with a scheme along these lines if we are serious about carbon reduction.

But is not just about regulation and compliance. There are two other fundamental challenges where moving towards a sustainable, low carbon economy can directly support the new government in achieving two key objectives: economic growth and deficit reduction. Green initiatives should not be positioned as tactical policies or separate to the main agenda.

If we want to take advantage of the opportunities of the emerging green economy to provide opportunities for our businesses and to create jobs, we will need to

The best performers can reduce their operational costs by 10 to 20 percent, while significantly improving their sustainability impacts.

see a coherent industrial strategy; not just for the green sector but how ‘green’ will be integrated within all aspects of a balanced and competitive economy.

On a more operational level, by maximising the ‘eco-efficiency’ agenda the government will be able to go further in meeting spend restrictions while minimising the impact on front-line services and

avoiding the social problems that may otherwise arise. When a fully compliant approach is applied, the best performers in this field can reduce their operational costs by 10 to 20 percent, while significantly improving their sustainability impacts. “What is there not to like about this?” as a director on one case study put it.

Can business move forward with confidence? Here the immediate future still looks a little cloudy. Chris Huhne has got a big task on his hands to get beyond fine words and tokenism to develop plans of real substance. With the talk of long-term views on tenure it sounds like he will have long enough to make things work and to be judged on what he delivers. Regardless of the work on policy though, the ‘smart money’ is still on those businesses that are just getting on a doing it anyway; they are already de-risking their profiles, reaping rewards and getting ready for a low carbon future. After all, it just makes good business sense. ■