



Energy Policy

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1.0	June 2016	Jon Kent	Draft for comment to evaluation panel
1.1	21 June 2016	Cate Johnstone	Incorporating comments from Jon Kent and Chris about energy market and government targets on energy reduction
1.2	11 July 2016	James Miller	Further refinement and context
1.3	30 August 2016	James Miller	Final Version PDF

Chair's signature: **David Sword**

8th December 2016

Executive summary

On the 8 June 2016 the following representatives Richard Marinelli (Cowes), Laura White (Six Villages), Sam Thompson (Venture) and Peter Murray, Diana Murray from Ormiston Academies Trust held an energy workshop with specialist consultants in Energy procurement (Ginger Energy) and Energy reduction (Zeco). The purpose of the workshop was to review the predicted energy procurement market, environmental impact of using energy and agree actions to form a policy that would show OAT to be responsible for ‘doing our part’ to save the planet, manage the increasing costs of energy and how it should be conservatively used in our Academies. This document is the policy that reflects the statements agreed at the workshop and was agreed by the OAT Board of Trustees on 15 September 2016.

UK Carbon Reduction Commitment

“Climate change is caused by humans. Yet, ironically, humans are the only ones who have the power to do something about it and make a real difference. The time for real action and progress is now!” Quote from www.earthday.org

The UK Climate Change Act 2008 is a landmark piece of environmental legislation – one that continues to attract interest and inspire action all round the world. It sets out a clear, legally binding framework to reduce our greenhouse gas emissions and to ensure that the UK plays a part in avoiding dangerous climate change.

The Climate Change Act 2008 set the countries emission reduction targets. The ‘legally binding’ targets are a reduction of least 80% by 2050 (against the 1990 baseline).

The European Union has its own emissions target, to which the UK contributes. This currently stands at 20% by 2020, though this may be raised to 30%.

To ensure that regular progress is made towards this long-term target, the Act established a system of five-yearly carbon budgets, to serve as stepping-stones.

The first four carbon budgets, leading to 2027, have been set in law. The UK is currently in the second carbon budget period (2013-17).

Budget	% reduction below base year
1st Carbon budget (2008-12)	23%
2nd Carbon budget (2013-17)	29%
3rd Carbon budget (2018-22)	35% by 2020
4th Carbon budget (2023-27)	50% by 2025

By providing benchmarks towards the 2050 target, the carbon budgets ensure regular progress is being made and provide a level of predictability for the UK to plan and invest for a low-carbon economy.

Department for Energy and Climate Change (DECC), leads on the UK’s policy to reduce emissions. DECC is responsible for delivering secure energy and driving action on climate change at home and abroad.

There are actions that OAT can take to be responsible and contribute towards the target:

- Reduce consumption of energy through, using low energy lighting, making staff and students aware of usage and tactics to reduce.
- Using green technologies to generate energy and save money

Energy Procurement

The energy market is a highly volatile trading environment that is impacted by many industry and external factors. These factors caused the market to show a reduction in wholesale prices for the period Q2 2013 – Q1 2016. The market has now entered an upward trajectory, which is expected to continue for the foreseeable future.

The main drivers forcing the wholesale cost up are:

- A volatile production environment – domestic and foreign energy production is not consistent
- Our reliance on foreign imports of fuel are affected by supply and demand
- The value of the £ vs the Euro – the fuel is traded in Euros
- A rising oil price – the oil price is indexed to gas prices
- Abnormal seasonal temperature patterns in the UK – this forces short buying (buying as it is required and not ahead of time) which drives the price
- Geopolitical factors - Energy prices are hugely impacted by the political environment of all countries involved in the supply. Examples are the Brexit vote, embargos in Iran, terrorist attacks in Libya and EU trade agreements with Scandinavia

There are actions that can be taken by OAT to reduce this impact:

1. Maximise buying power by acting as a group. This model achieves better results than each site acting independently. This also ensures consistent T&Cs across the group.
2. Review the market at regular intervals with scheduled decision points. This allows OAT to act upon the latest data and secure contracts at the appropriate time. In addition this allows the maximum planning period for each site once the future costs are known.
3. Secure the right contractual terms to ensure the protection is in place that insulates OAT against the above factors.

OAT Energy Policy

In order to demonstrate commitment to reducing carbon & costs. OAT aims to meet its social, legal and educational responsibilities by reducing academy energy consumption and carbon emissions by the year 2020 (starting from the 1 September 2016). This will be achieved by each academy following a set of mandated policy statements.

A 'whole school approach' was recognised as high importance to ensure 'buy in' from all academy staff and students. The statements below have been carefully worded to appeal to academies and should be relatively easy for academies to achieve with support from Head Office.

What academies *will* do:

- Appoint a member of staff to be an energy champion by October 2016. This person will work with Head Office and specialist consultants to implement this policy and work.
- Actively participate with Head Office and specialists to reduce energy consumption and complete initiatives

- Ensure that the start-up of equipment for each academy does not occur more than 2 hours before required operational hours commence. (I.e. computer equipment, printers, photocopies, heating and cooling systems etc.)
- Monitoring classroom temperatures.

Use of area	Minimum temperature
Lower than normal level of physical activity, e.g. office, sick rooms	21°C
Normal level of physical activity, e.g. classrooms and libraries	18°C
Higher than normal levels of physical activity, e.g. gyms and drama workshops	15°C

Turning down thermostats by 1 degree should save 6% a year on utilities

- Ensure that all equipment is turned off at the end of operational use.
- Ensure that the electricity base load does not exceed 20% of the highest daytime maximum level when the academy is non-operational and ensure that all relevant equipment is switched off at nights, weekends and holidays (guidance will be provided by Head Office and energy specialists on how to complete this task).

What Head Office will do:

- Promote the student poster competition agreed by the energy workshop members. The student of the winning poster will receive an Apple iPad.
- Promote the prize for the academy that reduces energy the most in 16/17. The best performing academy will be offered a class trip to an energy center. i.e. power station using wind, water etc. (ViP tour arranged by Ginger)
- Arrange for the energy workshop members to reconvene in the new calendar year (2017) to review progress made by academies, select the winning poster, identify and agree the best performing OAT academy at reducing energy consumption.
- *Funding permitting* – in 2017 budget for each academy to have a specialist energy audit. This will provide academies with a report; A) site energy audit to understand energy and water use. B) An estimate of potential annual utility savings with implementation costs and payback periods. C) Methods of utility management to achieve, maintain and recognise further potential savings
- Ginger will continue to monitor academies billing of utilities (gas/electricity) and provide help and support to academies to resolve errors.
- Ginger will support OAT take best advantage of the water de-regularisation targeted for April 2017.
- Zeco will produce quarterly reports for each academy and complete tasks as per the OAT/Zeco Year 2 agreement.