

# Fuel prices and shortage predicted as biggest drivers in the climate change

Despite the Government's attempts to influence the UK's energy usage with targets, legislation, regulations and schemes, fuel prices and shortages are the real key drivers for future progress, according to a report commissioned by Schneider Electric into 'The Future of Energy Management in the UK'.

The report reveals that these current attempts will fail because there aren't sufficient resources to police compliance. Instead the agenda for energy management will be dictated by urgency. More than nine out of ten (92%) businesses polled as part of the research consider energy prices an important driver for energy efficiency investment, with more than half (58%) saying concerns about fuel shortages are of significant influence.

Findings from the report also highlighted the potential for the global warming message to wane as climate change is not considered an important influencer and decision makers within businesses are unconvinced of the scientific evidence. In addition climate change is considered too big, too abstract and too remote to be an effective driver for energy efficiency. Instead the report predicts that in the future, the issues of price and availability will start to impinge more seriously on the country's conscious.

There is an abyss between policy and implementation with weak interpretation of policies, lack of enforcement and a shortfall in those wanting to comply. This is demonstrated by the fact that only 20% of organisations are aware of Part L2 of the Building Regulations and less than half (42%) recognise the Energy Performance of Buildings Directive. Furthermore meeting legislation ranked only fourth out of nine very important drivers for energy saving programmes, after reducing costs, lowering carbon emissions and CSR benefits.

In addition, two thirds (62%) feel that the time taken to comply with regulations could be better spent elsewhere. On this issue, the report concluded that businesses are not compelled to spend time proactively dealing with energy management issues with 98% saying they would focus on other areas such as procurement and facilities management duties.

The report proposed that fifteen to twenty years could see an era of supply constraint, which will be a powerful spur to action. The likelihood of this scenario is heightened by the recession and implications on public spending, as poor enforcement of regulations is likely to get worse due to government spending cuts and investment in the supply infrastructure could be deemed inadequate.

At the moment, 70% of businesses say they regularly monitor their energy use, however only a quarter (26%) currently have an energy saving programme in place, emphasising the disparity between real action and 'playing' at energy management. It also suggests that it's going to take a drastic situation to encourage energy users to be more proactive and detailed in their approach to energy management.

While the government may continue to pursue its emissions agenda, the report predicts people will re-engage with cost reduction. Two thirds (62%) of businesses already believe they can do more to reduce energy costs and of those that do have a strategy, more than half (58%) have been able to identify financial savings.

Stephen Coop, President of Schneider Electric UK and Ireland, the global specialist in energy management, comments: "Despite the Government's efforts to heighten activity surrounding energy management, research shows that energy management in the UK has actually been in decline for fifteen years. The report highlights that organisations acknowledge they can do better when it comes to their energy responsibilities but more needs to be done to tap into the issues that motivate them to embrace energy management.

"As investing in energy saving is not essential to sustaining a business, but companies are more concerned about conserving cash, steps such as behavioural changes offer a short-term win. The reality is that we will end up consuming less energy, triggered by the need to save money and expected crises over the deteriorating energy scene."

The report's main author, Vilnis Vesma, has been active in energy management for many years and is unimpressed by governmental pronouncements and interventions: "they mean well" he says, "but they are not and never will be effective agents for change. The sooner energy users and solution providers realise this and just get on with it, the better".

For further information and a detailed copy of the report, please visit [www.schneider-electric.co.uk](http://www.schneider-electric.co.uk) or call 0870 608 8 608.

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## Notes to editor

### About Schneider Electric

Schneider Electric, the global specialist in energy management, offers integrated solutions making energy safer, more reliable, efficient and productive in the energy and infrastructure, industry, data centres and networks, buildings and residential markets. With sales of €18.3 billion in 2008, the company's 114,000 employees in 102 countries help individuals and organisations make the most of their energy.

### About the author of the report

Vilnis Vesma is an engineer and former energy manager who now independently practises providing advice, information, training and software to help large users save energy. He operates a free advisory web site (VESMA.COM) and is the author of the book *Energy Management Principles and Practice* (BSI, 2009). He is a council member of the Energy Services and Technology Association with special responsibility for publications and events and has represented the UK on several committees developing international standards for energy management.

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