

Y Pwyllgor Amgylchedd a Chynaliadwyedd

Lleoliad:

Ystafell Bwyllgora 4 – Ty Hywel

Dyddiad:

Dydd Mercher, 9 Gorffennaf 2014

Amser:

09.40

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch â:

Alun Davidson

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Agenda

Rhag-gyfarfod anffurfiol (09.40–09.50)

1 Cyflwyniad, ymddiheuriadau a dirprwyon

2 Ymchwiliad i effeithlonrwydd ynni a thlodi tanwydd yng Nghymru:

Tystiolaeth gan Ofgem (09:50 – 10:20) (Tudalennau 1 – 16)

E&S(4)–18–14 papur 1: Ofgem

David Fletcher, Pennaeth y Polisi ECO

Zoe McLeod, Uwch Rheolwr, Defnyddwyr Bregus

3 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol: eitemau 4 a 5

4 Organebau a Addaswyd yn Enetig: Sesiwn briffio ffeithiol gan

swyddogion Llywodraeth Cymru (10:20 – 11:05) (Tudalennau 17 – 42)

Chris Lea, Dirprwy Gyfarwyddwr, Tir, Natur a Choedwigaeth
Martin Williams, Pennaeth Uned Iechyd Planhigion a Biotechnoleg

Egwyl (11:05 – 11:15)

**5 Organebau a Addaswyd yn Enetig: Sesiwn briffio ffeithiol gan y
Comisiwn Ewropeaidd (11:15 – 12:00)**

Céline Valero, Dirprwy Bennaeth, yr Uned Biotechnoleg, Cyfarwyddiaeth Gyffredinol
Iechyd a Materion Defnyddwyr

**6 Ymchwiliad i effeithlonrwydd ynni a thlodi tanwydd yng Nghymru:
Tystiolaeth gan Calor Gas (12:00 – 12:30) (Tudalennau 43 – 47)**

E&S(4)-18-14 papur 2 : Calor Gas

Holly Sims, Rheolwr Materion Corfforaethol

7 Papurau i'w nodi (Tudalennau 48 – 49)

Cofnodion y cyfarfod a gynhaliwyd ar 25 Mehefin

Eitem 2

Mae cyfyngiadau ar y ddogfen hon

Ofgem evidence to inquiry into Energy Efficiency and Fuel Poverty in Wales

Ofgem E-Serve response to a call for evidence from the Environment and Sustainability Committee of National Assembly for Wales (13 June 2014).

Contents

1.	Introduction	1
2.	Number of measures installed across Great Britain	1
3.	Geographic breakdown of measures installed.....	2
4.	Types of measures installed	3
5.	Supplier progress.....	3
6.	Effect of government’s proposed changes to ECO	4
7.	Carbon and cost savings achieved	5
	Annex A – Geographic distribution of ECO measures by local authority area, installed by 31 December 2013	6
	Annex B – Geographic distribution of ECO measures by local authority area, installed by 31 December 2013	8

1. Introduction

1.1. Ofgem is grateful to the Environment and Sustainability Committee for providing us with the opportunity to respond to its inquiry into Energy Efficiency and Fuel Poverty in Wales. Ofgem’s role in the Energy Companies Obligation (ECO) is to administer the scheme. Under the ECO legislation, we are responsible for determining suppliers’ obligations, reporting to the Secretary of State on supplier progress, monitoring compliance and taking enforcement action where appropriate. The Department of Energy and Climate Change (DECC) is responsible for the underlying policy and legislation for the scheme. Our response to this call for evidence is given in our capacity as ECO administrator. The evidence presented here relates to the Committee’s review of the implementation of ECO to date by the major energy suppliers in Wales. We will be happy to provide further information or clarification to the Committee should it be required.

Please note that much of the information provided here is sourced from DECC’s quarterly release for Green Deal and ECO. The most recent statistical release was published in March and relates to measure installed up to 31 December 2013. DECC are due to publish the next statistical release later in June. We would be happy to provide the Committee with an updated version of this written evidence once at that time.

2. Number of measures installed across Great Britain

2.1. Regular monthly updates of the headline figures for the ECO delivery can be found from two published sources. These sources do not provide a breakdown of ECO measures by geographical region but instead give total figures for all of Great Britain.

2.2. DECC publishes the Domestic Green Deal and ECO Monthly Statistical Releases. Table 5a of DECC's report shows the provisional number of ECO measures installed under each of the three obligations. This is the number of measures notified by suppliers to Ofgem. The latest figures show that up to the end of March 2014 a total of 776,369 measures had been installed at 647,950 properties. The table below shows these measures split by the three obligations; the Carbon Emission Reduction Obligation (CERO) which focuses on hard-to-treat homes, the Carbon Saving Communities Obligation (CSCO) which targets lower income areas, and the Home Heating Cost Reduction Obligation (HHCRO) which targets fuel poor living in private accommodation.

Table 1: ECO measures notified by obligation up to the end of April 2014

Obligation	CERO	CSCO	HHCRO	Total
Total Measures Notified	335,647	122,163	318,559	776,369

2.3. Ofgem publishes a monthly ECO Compliance Update that reports the number of ECO measures **approved** by Ofgem.¹ The latest figures published in May (relating to measures installed by 31 March) show that a total of 495,806 measures had been approved by Ofgem. The table below shows these measures split by obligation.

Table 2: ECO measures approved by obligation up to the end of April 2014

Obligation	CERO	CSCO	HHCRO	Total
Measures Approved	114,994	99,527	281,285	495,806

2.4. Of the measures which were notified to Ofgem but not yet approved some have been sent back to obligated suppliers for data correction or completion of missing information, some are undergoing further checks to ensure that they are valid measures under ECO and some are being processed and are expected to be approved shortly.

3. Geographic breakdown of measures installed

3.1. DECC publishes a quarterly statistical release that provides a geographic breakdown of measures installed under ECO. The most recent release was published in March². Table 1.11a of that document provides a breakdown of the provisional (i.e. notified) number of households in receipt of ECO measures by country and by local authority. Table 3 below shows the number of measures installed in England, Scotland and Wales respectively. The table shows that a higher number of ECO measures have been installed per 1,000 households in Scotland and Wales than in England.

Table 3: ECO measures installed by country up to 31 December 2013

Obligation	CERO	CSCO	HHCRO	Total	ECO measures per 1,000 households
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¹ <https://www.ofgem.gov.uk/environmental-programmes/energy-companies-obligation-eco/public-reports>

² <https://www.gov.uk/government/publications/green-deal-energy-company-obligation-eco-and-insulation-levels-in-great-britain-quarterly-report-to-december-2013>

Great Britain	193,337	96,093	239,456	528,886	20.5
England	160,532	86,161	192,158	438,851	19.9
Scotland	24,184	6,166	27,708	58,058	24.5
Wales	8,566	3,765	19,478	31,809	24.4

3.2. The table in Annex A shows the number of measures installed in each local authority in Wales. The chart in Annex B compares the number of installations per 1,000 households across Great Britain.

4. Types of measures installed

4.1. ECO is a market-based scheme and suppliers are therefore naturally incentivised to install measures which cost the least amount per tCO₂ saved for CERO and CSCO and per £ heating cost saved for HHCRO. Table 5a of the Domestic Green Deal and ECO Monthly Report³ published by DECC provides provisional information on the number of each measure type installed under ECO. These figures are summarised in table 4 below, for the measures which are installed at highest volumes across Great Britain.

Table 4: Type of ECO measure notified by obligation up to the end of April 2014

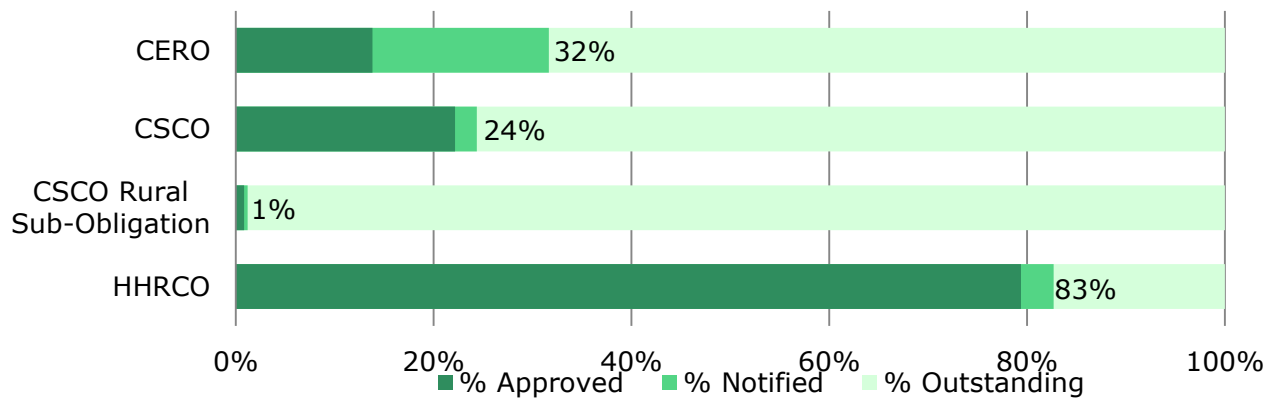
ECO measures delivered	Obligation			Total ECO measures delivered
	CERO	CSCO	HHCRO	
External Wall Insulation	46,078	1,933	10	48,021
Internal Wall Insulation	3,320	49	0	3,369
Cavity wall insulation	235,990	34,915	10,373	281,278
Loft Insulation	46,180	82,606	36,657	165,443
Other Insulation	2,486	1,780	80	4,346
Boiler	N/A	N/A	224,832	224,832
Heating Controls	N/A	N/A	46,591	46,591
Other Heating	1593	880	16	2489
Total number of measures	335,647	122,163	318,559	776,369

5. Supplier progress

5.1. Ofgem's monthly ECO Compliance Update shows aggregated supplier progress towards obligations. With less than twelve months remaining in which to meet the 2015 obligations, suppliers are making steady progress towards their targets. Figure 1 below shows aggregated supplier progress towards the three main obligations and the CSCO rural sub-obligation.

³ <https://www.gov.uk/government/publications/green-deal-and-energy-company-obligation-eco-monthly-statistics-may-2014>

Figure 1: Progress towards total obligations, to April 2014



5.2. They are now close to meeting the HHCRO obligation. Progress has been slower against the CSCO obligation and suppliers will need to step up their work in this area in order to meet their legislative obligations. The CSCO Rural sub-obligation, which targets the fuel poor living in rural areas, is a particular area of concern and we regularly meet with suppliers to stress the importance of compliance with their obligations and remind them that, should they fail to meet 100% of their obligations by the end of the scheme, we will consider taking enforcement action. Progress towards the CERO obligation has increased in recent months. This is thought to be a result of suppliers seeking to capitalise on early progress uplifts included in the government’s proposed changes to ECO.

5.3. The figure excludes excess actions that suppliers may carry over from the previous CERT and CESP schemes. Our estimates suggest that, under the current ECO Order, excess actions will add roughly 9% to supplier progress against the CERO and CSCO obligations combined.

5.4. In addition, each quarter Ofgem publishes an annex to the ECO Compliance Update showing individual supplier progress towards each of their three ECO obligations. The most recent annex was published in April 2014.⁴

6. Effect of government’s proposed changes to ECO

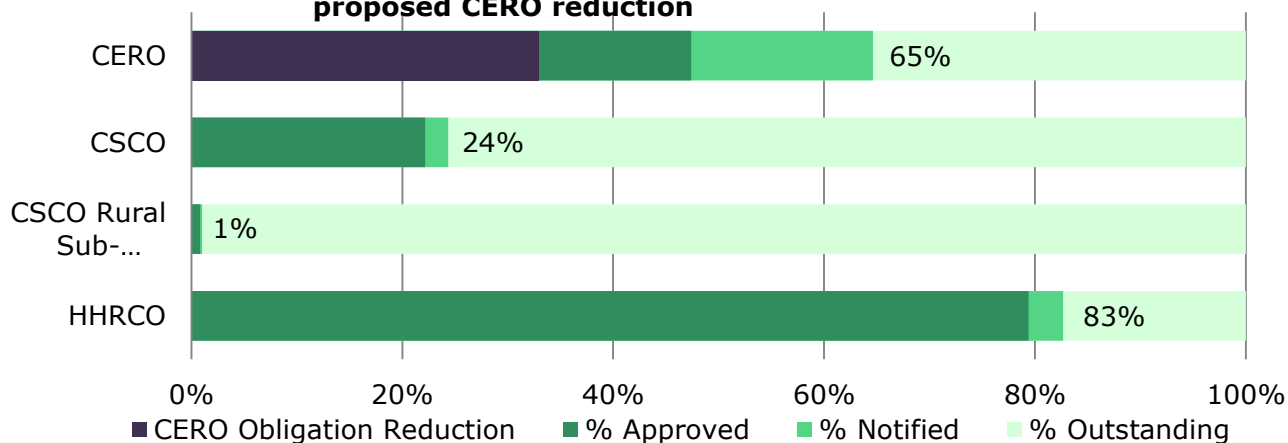
6.1. If introduced in their current form, the changes to ECO being proposed will improve suppliers’ positions against their CERO obligation; in particular through the proposed 33% reduction of the CERO target, the introduction of lower cost primary measures in CERO, and the uplift to certain CERO measures. The March 2015 CSCO and HHCRO obligations will remain unchanged. DECC has proposed that all three obligations will be extended from March 2015 to March 2017 and will be increased on a pro-rata basis at the revised level.

6.2. Figure 2 below shows overall supplier progress when the government’s proposed 33% reduction to the CERO targets is applied. If the proposed CERO reduction is introduced as expected suppliers will be on track to meet the CERO target by the end of the scheme.

⁴ <https://www.ofgem.gov.uk/ofgem-publications/87182/energycompaniesobligationecocomplianceupdateandquarterlyannex-april2014.pdf>

6.3. The figure excludes excess actions and any uplifts resulting from early progress. The proposed changes to ECO would increase the amount of excess actions that suppliers could carry forward into ECO from CERT and CESP. Although the impact of the proposed changes on the CSCO rural sub-obligation is likely to be positive, we are not confident regarding full compliance at this stage. We are therefore stepping up our engagement with suppliers and stressing the risk of non-compliance.

Figure 2: Progress towards total obligations, to April 2014, including proposed CERO reduction



7. Carbon and cost savings achieved

7.1. Table 1.15 of DECC’s Quarterly Statistical Release provides data on the energy and carbon savings delivered through CERO and CSCO. The table shows that total carbon savings of 5.16 million lifetime tCO₂ have been delivered through measures installed up to 31 December 2013.

7.2. Table 1.12d of the same publication provides data on the heating cost saving delivered through HHCRO. The table shows that total lifetime heating cost savings of £2.7 billion have been delivered through measures installed up to 31 December 2013.

National Assembly for Wales
 Environment and Sustainability Committee
 EEFP 17
 Inquiry into Energy Efficiency and Fuel Poverty
 Response from: Ofgem

Annex A – Geographic distribution of ECO measures by local authority area, installed by 31 December 2013⁵

Country	Local Authority Area	Obligation			Total number of ECO measures delivered	Valid percentage of ECO measures delivered ¹	Households with at least one usual resident ³	ECO measures per 1,000 households
		CERO	CSCO	HHCRO				
Great Britain		193,337	96,093	239,456	528,886	100	25,738,820	20.5
England		160,532	86,161	192,158	438,851	83.0	22,063,368	19.9
Scotland		24,184	6,166	27,708	58,058	11.0	2,372,780	24.5
Wales		8,566	3,765	19,478	31,809	6.0	1,302,676	24.4
	Rhondda Cynon Taf / Rhondda Cynon Taf	456	532	3,211	4,199	0.8	99,663	42.1
	Caerphilly / Caerffili	773	408	1,534	2,715	0.5	74,479	36.5
	Merthyr Tydfil / Merthyr Tudful	43	152	637	832	0.2	24,264	34.3
	Neath Port Talbot / Castell-nedd Port Talbot	602	210	1,219	2,031	0.4	60,393	33.6
	Blaenau Gwent / Blaenau Gwent	92	192	734	1,018	0.2	30,416	33.5
	Cardiff / Caerdydd	1,443	921	2,331	4,695	0.9	142,557	32.9
	Torfaen / Tor-faen	649	100	509	1,258	0.2	38,524	32.7
	Newport / Casnewydd	629	326	987	1,942	0.4	61,172	31.7
	Bridgend / Pen-y-bont ar Ogwr	307	234	1,252	1,793	0.3	58,515	30.6
	The Vale of Glamorgan / Bro Morgannwg	484	61	719	1,264	0.2	53,505	23.6
	Conwy / Conwy	375	41	758	1,174	0.2	51,177	22.9
	Denbighshire / Sir Ddinbych	155	49	696	900	0.2	40,546	22.2
	Flintshire / Sir y Fflint	422	92	868	1,382	0.3	63,781	21.7
	Swansea / Abertawe	462	199	1,541	2,202	0.4	103,497	21.3
	Pembrokeshire / Sir Benfro	505	79	321	905	0.2	53,122	17.0
	Carmarthenshire / Sir Gaerfyrddin	269	79	879	1,227	0.2	78,829	15.6
	Wrexham / Wrecsam	265	51	436	752	0.1	57,029	13.2

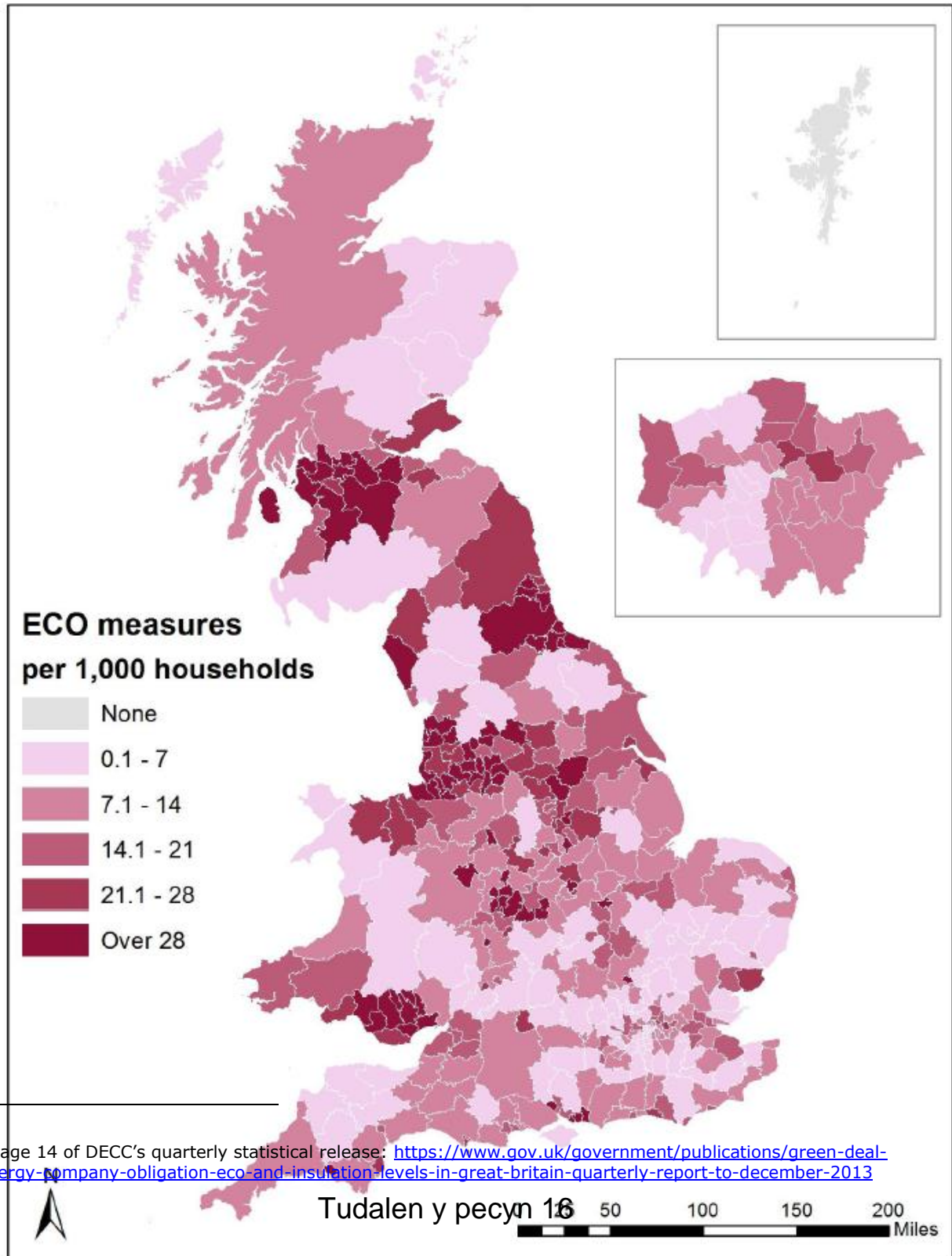
⁵ Table 1.11a of DECC's quarterly statistical release: <https://www.gov.uk/government/publications/green-deal-energy-company-obligation-eco-and-insulation-levels-in-great-britain-quarterly-report-to-december-2013>

Monmouthshire / Sir Fynwy	280	1	189	470	0.1	38,233	12.3
Ceredigion / Ceredigion	107	3	125	235	0.0	31,562	7.4
Gwynedd / Gwynedd	115	18	221	354	0.1	52,473	6.7
Isle of Anglesey / Ynys Môn	28	14	141	183	0.0	30,594	6.0
Powys / Powys	105	3	170	278	0.1	58,345	4.8
Unknown	55	1	112	168	-		

Annex B – Geographic distribution of ECO measures by local authority area, installed by 31 December 2013⁶

ECO Measures Installed by LA per 1,000 Households

All ECO measures installed by 31st December 2013



Mae cyfyngiadau ar y ddogfen hon

Organebau a Addaswyd yn Enetig (GMO): Y broses awdurdodi ar gyfer eu tyfu

Gorffennaf 2014

Cyflwyniad

Rhodddwyd awdurdodiad i dyfu cnydau GMO yn yr Undeb Ewropeaidd (yr UE) yn dilyn cais gan gwmni. Mae'r broses ddeddfwriaethol yn cynnwys sawl cam, gan gynnwys asesiad risgiau gwyddonol, ymgynghoriad cyhoeddus a phenderfyniad terfynol lle gall aelod-wladwriaethau gymeradwyo neu wrthod cynnig y Comisiwn Ewropeaidd (y Comisiwn) drwy fwyafrif cymwysedig.

Mae'r polisi ar gnydau GMO yng Nghymru wedi'i ddatganoli i Lywodraeth Cymru ond mae'n ofynnol iddi weithredu'n unol â deddfwriaeth Ewrop. Fel yr aelod-wladwriaeth, mae'r DU yn gyfrifol am gynrychioli Cymru ar y mater hwn ar lefel yr UE. Felly, os hoffai Llywodraeth Cymru wahardd tyfu cnwd a dyfir yn yr UE yng Nghymru, byddai angen iddi wneud hynny drwy'r DU.

Mewn sawl achos hyd yma, mae aelod-wladwriaethau wedi methu â chyrraedd mwyafrif cymwysedig a gwelwyd hollt amlwg o fewn y Cyngor. Yn yr achos hwn, caiff y Comisiwn awdurdodi, ar yr amod y deuir i farn gadarnhaol ar ôl cwblhau asesiad risg. Roedd yr hollt rhwng aelod-wladwriaethau wedi arwain at oedi mawr yn y broses o wneud penderfyniadau.

Yn 2010, nododd y Comisiwn gynnig ar gyfer Rheoliad i ddiwygio'r system awdurdodi bresennol a'r anghytundeb llwyr a geir dro ar ôl tro rhwng y gwledydd. Bu oedi gyda'r cynnig ar ôl i aelod-wladwriaethau fynegi pryder, ond yn ddiweddar mae wedi'i ailystyried yn dilyn cymhlethdodau ynghylch awdurdodi india-corn 1507. Nod y cynigion yw rhoi mwy o hyblygrwydd i aelod-wladwriaethau gyfyngu neu wahardd tyfu cnydau GMO yn seiliedig ar feini prawf moesegol a moesol, yn ogystal â rhai gwyddonol.

Mae'r Nodyn Ymchwil hwn yn rhoi crynodeb o'r broses bresennol a'r cynigion am newid.

Y broses awdurdodi bresennol

Rhodddwyd awdurdodiad i dyfu cnydau GMO yn yr UE yn dilyn cais gan gwmni, ac mae'r penderfyniad y daethpwyd iddo yn sgîl hynny'n gymwys i bob gwlad yn yr UE. Gellir cyflwyno ceisiadau o dan **Reoliad (EC) Rhif 1829/2003**¹ ar fwyd a phorthiant a addaswyd yn enetig neu o dan **Gyfarwyddeb 2001/18/EC**² ar gyfer gollwng cnydau GMO i'r amgylchedd yn fwiadol.

Asesiad risg

Yn dilyn cais o dan Reoliad 1829/2003, mae **Awdurdod Diogelwch Bwyd Ewrop**³ yn asesu'r risgiau cysylltiedig i'r amgylchedd, iechyd pobl a diogelwch anifeiliaid. Yn achos tyfu, mae Awdurdod Diogelwch Bwyd Ewrop yn dirprwyo'r asesiad risg amgylcheddol i aelod-wladwriaeth sy'n anfon ei adroddiad asesu at yr Awdurdod. Fel arfer, bydd yr Awdurdod yn cynnal ei asesiad o fewn chwe mis i gael y cais ac yn rhoi barn wyddonol a gyhoeddir yng **Nghyfnodolyn Awdurdod Diogelwch Bwyd Ewrop**⁴. Bydd yr Awdurdod yn rhoi ei farn i'r Comisiwn a gwledydd yr UE.

¹ Rheoliad (EC) **Rhif 1829/2003** [fel ar 14 Chwefror 2014]

² Cyfarwyddeb **2001/18/EC** [fel ar 14 Chwefror 2014]

³ **Awdurdod Diogelwch Bwyd Ewrop** [fel ar 14 Chwefror 2014]

⁴ **Cyfnodolyn Awdurdod Diogelwch Bwyd Ewrop** [fel ar 14 Chwefror 2014]



Mae'r weithdrefn ychydig yn wahanol o dan Gyfarwyddeb 2001/18. Mae'n rhaid i gwmnïau wneud cais i awdurdod cymwys gwlad yr UE lle caiff y cnwd GMO ei farchnata yn y lle cyntaf. Bydd y wlad honno'n llunio adroddiad asesu o fewn 90 diwrnod. Os bydd gwlad arall o fewn yr UE yn gwrthwynebu'r adroddiad asesu yn rhesymol, caiff y cais ei anfon at Awdurdod Diogelwch Bwyd Ewrop.

Ymgynghoriad Cyhoeddus

Mae Awdurdod Diogelwch Bwyd Ewrop yn sicrhau bod y crynodeb o'r cais ar gael i'r cyhoedd, heblaw am agweddau cyfrinachol. Unwaith iddo gael ei gyhoeddi, gall y cyhoedd wneud sylwadau (am 30 diwrnod) ar wefan y Comisiwn⁵ ar gyfer ceisiadau o dan Reoliad 1829/2003, ac ar wefan y Ganolfan Ymchwil ar y Cyd⁶ ar gyfer yr adroddiad asesu gan 'briif' wlad yr UE o dan Gyfarwyddeb 2001/18.

Y Penderfyniad Terfynol

O fewn tri mis o gael barn Awdurdod Diogelwch Bwyd Ewrop, dylai'r Comisiwn gymeradwyo neu wrthod yr awdurdodiad. Mae cynrychiolwyr aelod-wladwriaethau yn cymeradwyo cynnig y Comisiwn drwy fwyafrif cymwysedig ar gyfer:

- Y **Pwyllgor Sefydlog ar y Gadwyn Fwyd ac Iechyd Anifeiliaid**⁷ os cyflwynir y cais o dan Reoliad 1829/2003;
- Y **Pwyllgor Rheoleiddio o dan Gyfarwyddeb 2001/18/EC** os cyflwynir y cais o dan Gyfarwyddeb 2001/18.

Caiff y cynnig ei gymeradwyo os bydd y naill Bwyllgor neu'r llall yn ei gymeradwyo. Os nad oes barn, gall y Comisiwn alw **Pwyllgor Apêl** lle gall gwledydd yr UE gymeradwyo/gwrthod y cynnig. Os na fydd y Pwyllgor Apêl yn gwneud penderfyniad, gall y

⁵ Y Comisiwn Ewropeaidd **Ymgynghoriadau cyhoeddus ar geisiadau i awdurdodi bwyd a phorthiant a addaswyd yn enetig o dan Reoliad 1829/2003** [fel ar 19 Chwefror 2014]

⁶ Y Ganolfan Ymchwil ar y Cyd **Gollwng cnydau GMO yn Fwriadol a'u rhoi ar Farchnad yr UE - Cofrestr GMO** [fel ar 14 Chwefror 2014]

⁷ Y Comisiwn Ewropeaidd **Y Pwyllgor Sefydlog ar y Gadwyn Fwyd ac Iechyd Anifeiliaid** [fel ar 14 Chwefror 2014]

Comisiwn gymeradwyo'r cynnig.⁸ Mae awdurdodiadau'n ddilys am ddeng mlynedd a gellir eu hadnewyddu.

Y 'cymal diogelu'

- **Mae Erthygl 23 o Gyfarwyddeb 2001/18**, y 'cymal diogelu', yn caniatáu i aelod-wladwriaethau gyfyngu neu wahardd tyfu neu ddefnyddio cynnyrch GMO awdurdodedig, neu wahardd hyn, os oes ganddynt dystiolaeth wyddonol newydd neu ychwanegol sy'n profi bod y cynnyrch yn berygl i'r amgylchedd a/neu iechyd pobl o fewn eu tiriogaeth. Er mwyn profi bod digon o dystiolaeth, bydd yn rhaid i'r aelod-wladwriaeth gynnal adolygiad o'r asesiad risg amgylcheddol gwreiddiol a gwblhawyd pan awdurdodwyd cnwd GMO yn y lle cyntaf. Er mwyn asesu teilyngdod gwyddonol yr honiadau, gall y Comisiwn gyflwyno tystiolaeth yr aelod-wladwriaeth i Awdurdod Diogelwch Bwyd Ewrop a fydd yn rhoi barn ar ddilysrwydd y dystiolaeth newydd. Ar ôl cael barn wyddonol gan yr Awdurdod, bydd y Comisiwn yn cyflwyno cynigion drafft i'r Pwyllgor Sefydlog ar y Gadwyn Fwyd ac Iechyd Anifeiliaid yn galw ar i'r Pwyllgor naill ai gytuno â gwaharddiad yr aelod-wladwriaeth neu ei ddiddymu. Bydd y Pwyllgor yn pleidleisio i gymeradwyo neu wrthod cynigion y Comisiwn. Os na all y Pwyllgor ddod i benderfyniad, anfonir y cynigion at **Gyngor y Gweinidogion** (y Cyngor) er mwyn iddo benderfynu arnynt. Os na fydd y Cyngor yn ymateb i'r cynigion o fewn amserlen benodol, bydd y Comisiwn yn cymeradwyo'r cynnig.⁹

⁸ Penderfyniad y Cyngor ar 28 Mehefin 1999 yn gosod y gweithdrefnau ar gyfer yr ymarfer o weithredu pwerau a gyflwynir i'r Comisiwn (**OJ L 184, 17.7.1999, t. 23**)

⁹ Nodir y weithdrefn gwneud penderfyniadau yn **Erthygl 5 o Benderfyniad 1995/486/EC** [fel ar 19 Chwefror 2014]



India-corn 1507

Ar 26 Medi 2013, cyflwynodd **Llys Cyffredinol yr Undeb Ewropeaidd** ddyfarniad a oedd yn nodi bod y Comisiwn wedi methu â gweithredu ar gais gan **Pioneer** ('DuPont Pioneer' erbyn hyn) i awdurdodi tyfu **india-corn 1507**¹⁰ a gyflwynwyd yn 2001 o dan Gyfarwyddeb 2001/18.

Cyflwynodd Pioneer yr achos cyntaf yn erbyn y Comisiwn yn 2007 am fethu â chyflwyno penderfyniad awdurdodi i bleidleisio arno i'r Pwyllgor Rheoleiddio. Daeth y Llys â'r achos hwn i ben ar ôl i'r Comisiwn gyflwyno'r cynnig i'r Pwyllgor Rheoleiddio ym mis Chwefror 2009, ar gyfer penderfyniad awdurdodi drafft. Fodd bynnag, methodd y Pwyllgor â rhoi barn. Yn 2010, cyflwynodd Pioneer ail achos yn erbyn y Comisiwn am beidio â chyfeirio cynnig i'w awdurdodi i'r Cyngor am na chafwyd barn gan y Pwyllgor Rheoleiddio, yn unol â'r weithdrefn bwyllgoreg a oedd yn gymwys ar y pryd.¹¹

Yn unol â'r dyfarniad hwn, cyfeiriodd y Comisiwn y cais i dyfu india-corn 1507 at y Cyngor lle mai'r Gweinidogion oedd yn gyfrifol am roi safbwynt ar y cais drwy fwyafrif cymwysedig. Roedd Awdurdod Diogelwch Bwyd Ewrop eisoes wedi cyflwyno barn ar y cais yn 2005, 2006, 2008, 2011 a 2012.¹² Ar 11 Chwefror 2014, ar ôl trafodaeth (ar ôl i'r gwledydd gefnogi cynnig gan Ffrainc i annog trafodaethau ffurfiol yn hytrach na 'gweithdrefn ysgrifenedig'¹³) cafwyd pleidlais wedi'i rhannu ymhlith yr aelod-wladwriaethau. Mae bellach yn rhwymedigaeth ar y Comisiwn i gymeradwyo tyfu india-corn 1507 (y cnwd biotechnoleg arwyddocaol cyntaf mewn dros ddegawd a'r ail gnwd india-corn GM yn yr UE) gan

¹⁰ Datblygwyd india-corn 1507 a addaswyd yn enetig (India-corn Bt) i gyflwyno ymwrthedd i larfâu gwyfynod niweidiol penodol ar gyfer india-corn, fel tyllbryf india-corn Ewrop. Ar hyn o bryd mae wedi'i awdurdodi yn yr UE ar gyfer bwyd a phorthiant, ond mae'r awdurdodiad ar gyfer ei dyfu yn mynd rhagddo.

¹¹ Penderfyniad y Cyngor ar 28 Mehefin 1999 yn gosod y gweithdrefnau ar gyfer yr ymarfer o weithredu pŵerau a gyflwynir i'r Comisiwn (**OJ L 184, 17.7.1999, t. 23**)

¹² Europa, **GMO: Y Comisiwn yn gofyn i'r Cyngor gytuno ar ei gynnig i roi mwy o gyfrifoldeb i aelod-wladwriaethau o ran tyfu** 6 Tachwedd 2013 [fel ar 17 Chwefror 2014]

¹³ AGRAFACTS Rhif 02/14 10 Ionawr 2014

nad oedd gan y 19 o wledydd a wrthododd y cynnig i dyfu india-corn 1507 y mwyafrif gofynnol i rwystro'r cynnig.¹⁴

Ar ôl pleidlais y Cyngor, dywedodd Rheolwr Cyfathrebu DuPont Pioneer yn Ewrop:

We are now confident that the European Commission, based on the seven positive safety opinions published by the EFSA, will adopt the decision for approval again as required under E.U. law. 1507 maize meets all EU regulatory requirements and should be approved for cultivation without further delay...The European Union has a legal obligation to itself, to its farmers and scientists and to its trade partners to follow the revised EU biotech legislation...¹⁵

Mae Sbaen, yr unig wlad sy'n debygol o dyfu india-corn 1507 yn eang, wedi croesawu'r awdurdodiad ac wedi annog yr UE i ganiatáu i ffermwyr ddefnyddio'r dechnoleg a all ddatrys problemau go iawn a lleihau'r defnydd o bryfladdwyr.¹⁶

Fodd bynnag, mae'r broses ddeddfwriaethol sy'n ymwneud ag awdurdodi india-corn 1507 wedi'i beirniadu gan gyrff anllywodraethol amgylcheddol a dywedodd Marco Contiero (Cyfarwyddwr Polisi Amaethyddol yr UE Greenpeace):

The Commission cannot ignore the scientific, political and legal concerns voiced by a large majority of countries, by two thirds of the European Parliament and supported by most EU citizens.¹⁷

¹⁴ AGRAFACTS Rhif 11/14 12 Chwefror 2014

¹⁵ Truth about trade and technology, **DuPont Pioneer Seed Corn Clears EU Regulatory Hurdles, But...** 20 Chwefror 2014 [fel ar 17 Mawrth 2014]

¹⁶ AGRAFACTS Rhif 11/14 12 Chwefror 2014

¹⁷ *ibid*

Nid oedd Aelodau o Senedd Ewrop yn cefnogi'r cynnig, gan ddweud y gallai beryglu glöynnod byw a gwyfynod, ac roeddent yn annog y Comisiwn i beidio â chymeradwyo nac adnewyddu cynydu GM hyd nes y caiff y dulliau asesu rig eu gwella.¹⁸

Ar 12 Chwefror 2014 bygythiodd grŵp Gwyrdd Senedd Ewrop gyflwyno cynnig o gerydd yn erbyn y Comisiwn, ar ôl iddo gymeradwyo'r awdurdodiad o india-corn 1507.

Mae'r cymhlethdodau sy'n ymwneud ag awdurdodi india-corn 1507, yn ogystal â'r bleidlais sydd wedi'i rhannu ymhlith yr aelod-wladwriaethau, wedi arwain at alw am adfer y cynigion a gyflwynwyd gan y Comisiwn dair blynedd yn ôl (2010)¹⁹. Mae'r Comisiynydd Iechyd a Pholisi Defnyddwyr, Tonio Borg, wedi croesawu'r gwaith o adfer y cynlluniau i ddatrys yr anghytundeb llwyr presennol ar y broses awdurdodi.²⁰

Newidiadau arfaethedig mewn deddfwriaeth

Y Cynnig ar gyfer Rheoliad a fydd yn diwygio Cyfarwyddeb 2001/18/EC

Ym mis Gorffennaf 2010 cyhoeddodd y Comisiwn gynnig drafft ar gyfer **Rheoliad sy'n diwygio Cyfarwyddeb 2001/18** (COM(2010)375).²¹ Byddai'r diwygiad hwn yn ceisio rhoi sail gyfreithiol i aelod-wladwriaethau benderfynu ar dyfu cynydu GMO am resymau sy'n wahanol i'r rheini sy'n seiliedig ar asesiad gwyddonol o risgiau amgylcheddol a dynol. Mae'r rhain yn cynnwys meini prawf moesegol a moesol, gan roi mwy o hyblygrwydd i aelod-

¹⁸ AGRAFACTS Rhif 11/14 12 Chwefror 2014 ac AGRAFACTS Rhif 04/14 17 Ionawr 2014

¹⁹ Y Comisiwn Ewropeaidd **Cynnig am reoliad a fydd yn diwygio Cyfarwyddeb 2001/18/EC o ran y posibilrwydd i aelod-wladwriaethau gyfyngu ar neu wahardd tyfu cynydu GMO yn eu tiriogaeth** 13 Gorffennaf 2010, COM(2010) 375 terfynol [fel ar 19 Chwefror 2014]

²⁰ Europa, **GMO: Y Comisiwn yn gofyn i'r Cyngor gytuno ar ei gynnig i roi mwy o gyfrifoldeb i aelod-wladwriaethau o ran tyfu** 6 Tachwedd 2013 [fel ar 17 Chwefror 2014]

²¹ Y Comisiwn Ewropeaidd **Cynnig am reoliad a fydd yn diwygio Cyfarwyddeb 2001/18/EC o ran y posibilrwydd i aelod-wladwriaethau gyfyngu ar neu wahardd tyfu cynydu GMO yn eu tiriogaeth** 13 Gorffennaf 2010, COM(2010) 375 terfynol [fel ar 19 Chwefror 2014]

wladwriaethau. Gallai aelod-wladwriaethau gyfyngu neu wahardd tyfu cynydu GMO mewn rhan o'u tiriogaeth neu yn y tiriogaeth gyfan heb orfod defnyddio'r mesurau diogelu sydd, hyd yma, heb eu cefnogi gan Awdurdod Diogelwch Bwyd Ewrop (er y gellir parhau i fynegi pryderon o ran iechyd a'r amgylchedd o dan y cymal diogelu presennol). Ni fyddai angen i'r Comisiwn awdurdodi penderfyniadau, ond byddai angen i aelod-wladwriaethau roi gwybod i aelod-wladwriaethau eraill a'r Comisiwn fis cyn cymeradwyo eu mesurau (yn y cynnig gwreiddiol). Byddai'n rhaid i aelod-wladwriaethau hefyd barchu egwyddorion cyffredinol y Cytuniadau a'r Farchnad Sengl, a bod yn gydnaws â rhwymedigaethau rhyngwladol yr UE.

Mae'r cynigion yn destun y weithdrefn cydbenderfynu lle mae'n rhaid i'r Cyngor a Senedd Ewrop gytuno arnynt.

Statws presennol y Rheoliad arfaethedig

Gwrthwynebwyd y cynigion gwreiddiol, ac roedd Ffrainc a'r Almaen yn pryderu y gallai arwain at rannu marchnad fewnol yr UE ac achosi problemau gyda Sefydliad Masnach y Byd. Dywedodd Pwyllgor Economaidd a Chymdeithasol Ewrop y canlynol ynghylch y cynnig drafft:

...creates more vagueness than certainty and could in practice result in a proliferation of (legally unstable) measures being adopted by the States and regions, which could affect the operation of the EU's internal market, the legal security of operators and the credibility of the system as a whole.²²

Y Cyngor

Ym mis Mawrth 2011 cyfarfu Gweinidogion yr Amgylchedd yr UE ym Mrwsel i drafod rhestr o'r rhesymau posibl pam y gallai aelod-wladwriaethau unigol ddewis gwahardd tyfu cynydu GMO. **Roedd**

²² BARN Comisiwn Economaidd a Chymdeithasol Ewrop **ar Gynnig am Reoliad a fydd yn diwygio Cyfarwyddeb 2001/18/EC o ran y posibilrwydd i aelod-wladwriaethau gyfyngu a gwahardd tyfu cynydu GMO yn eu tiriogaeth** COM(2010) 375 terfynol [fel ar 19 Chwefror 2014]



'**moesau cyhoeddus**' gan gynnwys pryderon crefyddol, athronyddol a moesegol, '**amcanion polisi cymdeithasol**' gan gynnwys cynnal mathau penodol o ffermio i gadw swyddi, a '**pholisi diwylliannol**' ymhlith yr opsiynau a restrwyd gan y Comisiwn.²³

Ym mis Mawrth 2012 mewn trafodaeth ar y diwygiadau arfaethedig yn y Cyngor Amgylcheddol, ni ddaethpwyd i unrhyw gytundeb gan fod lleiafrif o'r aelod-wladwriaethau'n gwrthod y cynnig. Roedd y lleiafrif hwn yn cynnwys y DU, Ffrainc a Denmarc a nododd bryderon cyfreithiol amrywiol.²⁴

Oherwydd y materion a godwyd yn sgîl awdurdodi india-corn 1507, dechreuodd Llywyddiaeth bresennol y Cyngor o Wlad Groeg holi ynghylch y gefnogaeth ar gyfer ailddechrau'r trafodaethau ar y cynigion. Ar 11 Chwefror 2014, cefnogodd nifer o wledydd, gan gynnwys y DU, Denmarc a Lwcsembwrg, ailddechrau'r drafodaeth ar y diwygiad arfaethedig, y tro cyntaf ers i'r trafodaethau ddod i ben ym mis Mawrth 2012. Mewn cyfarfod o Gyngor Gweinidogion yr Amgylchedd ar y cynigion ar 3 Mawrth 2014, torrodd y DU o'r lleiafrif blocio blaenorol a mynegodd nifer o Aelod-wladwriaethau gefnogaeth i'r testun cyfaddawd. Arweiniodd hyn at bleidlais a mabwysiadu'n ffurfiol y testun cyfaddawd yng Nghyngor yr Amgylchedd ar 12 Mehefin 2014.

Roedd y testun cyfaddawd a gytunwyd gan y Cyngor yn cynnwys nifer o newidiadau arfaethedig i gynnig gwreiddiol y Comisiwn.²⁵ O dan y testun cyfaddawd byddai Aelod-wladwriaethau'n gallu gofyn i'r Comisiwn roi gwybod i gwmnïau bio-dechnoleg naill ai yn ystod y broses awdurdodi neu ar ôl i'r awdurdodiad gael ei roi o alwad Aelod-wladwriaeth am i gwmpas daearyddol yr awdurdodiad gael ei

²³ Euobserver **Gwledydd yr UE i drafod y 'rhesymau' dros wahardd GMO yn genedlaethol** 10 Mawrth 2010 [fel ar 18 Chwefror 2014]

²⁴ AGRAFACTS Rhif 11/14 12 Chwefror 2014

²⁵ Y Comisiwn Ewropeaidd *Cynnig am reoliad a fydd yn diwygio Cyfarwyddeb 2001/18/EC o ran y posibilrwydd i aelod-wladwriaethau gyfyngu ar neu wahardd tyfu cnydau GMO yn eu tiriogaeth 13 Gorffennaf 2010, COM(2010) 375 terfynol [fel ar 19 Chwefror 2014] Cynnig Cyfaddawd diwygiedig o ystyried Cytundeb Gwledyddol y Cyngor (darlleniad cyntaf), Mai 23, 2014*

ddiwygio. Hynny yw, yn hytrach na bod awdurdodiad yn berthnasol i'r UE cyfan, byddai'n eithrio tiriogaethau rhai Aelod-wladwriaethau fel y gofynnwyd neu y cytunwyd arnynt.

Os yw'r cwmni bio-dechnoleg yn gwrthod newid ei awdurdodiad byddai'r Aelod-wladwriaeth yn gallu hysbysu'r Comisiwn o'i fwriad i wahardd tyfu'r cnwd GMO hwnnw ar y cyfan neu ran o'i diriogaeth ar nifer o seiliau tu allan i'r rhai sydd ar hyn o bryd yn rhan o'r broses asesu EFSA. Mae'r rhain yn cynnwys rhesymau economaidd-gymdeithasol, rhesymau polisi amaethyddol, rhesymau cynllunio gwlad a thref, rhesymau defnydd tir neu ar sail amgylcheddol nad yw eisoes wedi'i ystyried fel rhan o'r broses EFSA.

Byddai'n ofynnol i Aelod-wladwriaethau ddarparu copi drafft o'r mesurau i'r Comisiwn 75 diwrnod cyn eu mabwysiadu i'w hystyried. Byddai'r Comisiwn yn ystyried a yw cynnig yr Aelod-wladwriaeth yn gwneud defnydd priodol o'r pwerau a ddarperir o fewn y Gyfarwyddeb ai peidio. Ar ddiwedd 'cyfnod segur' o 75 diwrnod, gallai Aelod-wladwriaethau benderfynu diwygio'r mesurau gan gymryd i ystyriaeth unrhyw sylwadau a wnaed gan y Comisiwn neu eu mabwysiadu fel y cynigiwyd yn wreiddiol.²⁶

Yn ogystal, gall Aelod-Wladwriaethau ddirymu unrhyw fesurau sydd ar waith yn eu tiriogaeth a gofyn am i'r awdurdodiad gael ei ddiwygio i gynnwys unrhyw diriogaethau a eithriwyd yn y gorffennol.

2.2 Senedd Ewrop

Mabwysiadodd Senedd Ewrop safbwynt cyd-drafod ar gynigion gwreiddiol y Comisiwn ym mis Gorffennaf 2011. Roedd am ddiwygio cynigion y Comisiwn mewn sawl ffordd. Roedd hyn yn cynnwys ei gwneud yn ofynnol i aelod-wladwriaethau gymryd y mesurau priodol i osgoi presenoldeb anfwriadol cnydau GMO mewn cynhyrchion eraill yn eu tiriogaeth ac mewn ardaloedd ar y ffiniau ag aelod-wladwriaethau cyfagos. Cafodd diwygiadau hefyd yn cael eu cynnwys a fyddai'n caniatáu cyflwyno gwaharddiadau ar sail pryderon amgylchedd lleol. Yn

²⁶ AGRAFACTS Rhif 15/14 26 Chwefror 2014

ychwanegol at hynny, roedd Senedd Ewrop am gael sicrwydd na ddylai cyfyngiadau neu waharddiadau ar dyfu cnydau GMO gan aelod-wladwriaethau atal ymchwil biotechnoleg rhag cael ei gynnal, ar yr amod y cydymffurfir â'r holl fesurau diogelwch angenrheidiol.

O ystyried etholiadau Senedd Ewrop yn ddiweddar a faint o amser sydd wedi mynd heibio ers i'r Senedd fabwysiadu ei sefyllfa negodi, gall benderfynu ail-ymweld â'i hymateb cychwynnol. Fe ddaw yn glir a yw'r Senedd yn bwriadu gwneud hynny yn ystod y misoedd nesaf wrth i sesiynau busnes ffurfiol yn y Senedd fynd rhagddynt yn dilyn yr etholiadau.

Amserlen ar gyfer trafodaethau

Mae'r Cyngor wedi nodi ei fod yn disgwyl cychwyn trafodaethau tairochrog â Senedd Ewrop ar destun y cynnig terfynol yn yr hydref 2014. Bydd yr amserlen hon yn dibynnu a fydd Senedd Ewrop yn penderfynu ail-ymweld â'i sefyllfa negodi gwreiddiol. Bydd y Senedd yn cynnal ei sesiwn lawn gyntaf yn dilyn etholiadau mis Mai rhwng 1-3 Gorffennaf a bydd yn dechrau ystyried yn llawn y busnes ffurfiol ym mis Medi.

Ymatebion

Mae cwmnïau biotechnoleg a chyrrff anllywodraethol amgylcheddol yn gwrthwynebu'r newidiadau arfaethedig o hyd. ²⁷Dadleua cwmnïau biotechnoleg y gallai'r trefniadau eithrio danseilio hygredded Awdurdod Diogelwch Bwyd Ewrop, gonestrwydd y farchnad fewnol a phenderfyniadau sy'n seiliedig ar wyddoniaeth. ²⁸Mynega Greenpeace bryderon y bydd aelod-wladwriaethau sydd am wahardd cnydau GM yn agored i heriau cyfreithiol ac yn cael eu gorfodi i 'fargeinio' gyda lobiwyr biotechnoleg. ²⁹

Yn ogystal, yn ystod yr wythnosau diwethaf mae sylwadau wedi cael eu gwneud am effeithiau posibl y trafodaethau masnach UE-US sy'n digwydd, ar y cynnig. Fe'u gelwir yn Transatlantic Trade and Investment Partnership (TIPP). Mae amaethyddiaeth

²⁷ AGRAFACTS Rhif 17/14 5 Mawrth 2014

²⁸ AGRAFACTS Rhif 17/14 5 Mawrth 2014

²⁹ AGRAFACTS Rhif 17/14 5 Mawrth 2014

yn un o'r materion mwyaf dadleuol yn y trafodaethau. Mae Ysgrifennydd Amaeth yr Unol Daleithiau wedi galw am gysoni proses awdurdodi'r Unol Daleithiau a'r UE ar gyfer cnydau GMO gan fynegi pryder ynghylch faint o amser y mae awdurdodiadau GMO yn eu cymryd o fewn yr UE.³⁰

Mae cyrff anllywodraethol yr amgylchedd megis Greenpeace ³¹ a Chyfeillion y Ddaear Ewrop ³² wedi mynegi pryderon am oblygiadau a dylanwad y TIPP ar broses gymeradwyo GMO yr UE.

Rhagor o wybodaeth

I gael rhagor o wybodaeth am **Organebau a Addaswyd yn Enetig (GMO): Y broses awdurdodi ar gyfer eu tyfu**, cysylltwch â **Nia Seaton** (Nia.Seaton@Cymru.gov.uk)

Gweler hefyd:

- Y Comisiwn Ewropeaidd **Cwestiynau ac Atebion y Comisiwn Ewropeaidd ar bolisiau'r UE ynghylch tyfu a mewnfario cnydau GMO** 6 Tachwedd 2013

Gallwch weld **ein holl gyhoeddiadau** ar wefan y Cynulliad: cynulliadcymru.org/cy/bus-home/research.htm

Gallwch hefyd ein dilyn ni ar Twitter:

[@SeneddYmchwil](https://twitter.com/SeneddYmchwil)

Rydym yn croesawu eich sylwadau. Dylid anfon y rhain i: **Y Gwasanaeth Ymchwil, Cynulliad Cenedlaethol Cymru, Caerdydd, CF99 1NA** neu eu hanfon mewn neges e-bost i Research.Service@cymru.gov.uk

Mae'r Gwasanaeth Ymchwil wedi llunio'r Nodyn Ymchwil hwn er budd Aelodau'r Cynulliad a'u staff cymorth. Mae'r awduron ar gael i drafod cynnwys y papurau hyn ag Aelodau a'u staff ond ni allant roi cyngor i aelodau o'r cyhoedd.

Rhif yr ymholiad: 14/0518

³⁰ Euractiv, **Unol Daleithiau am Gwyddoniaeth i setlo dadl GMO yn delio masnach gyda yr UE**, 18 Mehefin, 2014 [fel ar 26 Mehefin 2014]

³¹ *Cofnod y Trafodion*, 7 Tachwedd 2013, t.17, para.118

³² Cyfeillion y Ddaear Ewrop, **UE-US Fasnach delio cnwd bumper ar gyfer bwyd mawr?**, Hydref 2013 [fel ar 26 Mehefin 2014] :



**CALOR GAS LTD RESPONSE TO THE NATIONAL ASSEMBLY FOR WALES' ENVIRONMENT AND
SUSTAINABILITY COMMITTEE CONSULTATION:
INQUIRY INTO ENERGY EFFICIENCY AND FUEL POVERTY IN WALES**

TERMS OF REFERENCE:

- To examine progress towards meeting the Welsh Government's statutory targets for eradicating fuel poverty in Wales by 2018.
- To review the implementation to date by the major energy suppliers of the Energy Company Obligation (ECO) and other measures to alleviate fuel poverty in Wales.
- To consider the impact of the Welsh Government's existing energy efficiency programmes (Nest and Arbed) and UK Government initiatives such as the Green Deal.

EXECUTIVE SUMMARY:

- Calor agrees that the most effective way to tackle fuel poverty is to invest in improving the energy efficiency of the homes of low-income households. Calor welcomes the fuel poverty eradication target of 2018 and commends the National Government funding for fuel poverty and energy efficiency schemes.
- Calor has serious concerns regarding access to, and the delivery of, existing fuel poverty and energy efficiency schemes into rural off-gas grid areas of Wales. The incidence of fuel poverty in rural Wales is almost double the level of urban fuel poverty and the rural fuel poor experience a greater fuel poverty gap than their urban counterparts.
- It is encouraging that both Nest and Arbed identify rural areas, off gas properties and hard-to-treat homes as priorities for action. However to date activity has largely been focused in urban areas.
- Rural does not always equal off-gas, neither does off-gas equal rural; a significant number of off-gas and hard-to-treat properties exist within urban areas.
- It is encouraging that Wales has been able to secure higher levels of ECO funding than England, as a result of aligning ECO funding Nest and Arbed. However ECO is largely failing rural areas - Calor has serious concerns regarding access to, and the delivery of ECO in rural off-gas grid areas, and in particular the delivery of the Affordable Warmth and Carbon Saving Communities elements of ECO.
- The Green Deal Home Improvement Fund (GDHIF) has specifically excluded heating oil and LPG boilers from the scheme thereby further disadvantaging rural householders.

CALOR RECOMMENDATIONS:

- Calor argues that special assistance should be given to householders living in rural off-gas grid areas.
- Calor asks that the Welsh Assembly Government investigates how many energy efficiency improvements under Nest and Arbed have taken place in properties both rural and located off the mains gas network.
- The Welsh Assembly Government should utilise existing funding under Nest and Arbed to encourage ECO suppliers to deliver measures into rural communities under both the AW and CScO elements of the scheme.
- Calor would urge the Welsh Assembly Government to consider a similar scheme to the Scottish Green Homes Cashback scheme which provides funding to deliver replacement LPG and heating oil boilers.
- Calor wants to work proactively with the Welsh Assembly Government to integrate the learning's from Calor's own rural off-gas grid fuel poverty initiative within the existing Welsh national energy efficiency programmes.

SUBMISSION:

1. Rural Fuel Poverty in Wales:

- 1.1 Calor agrees with the Welsh Assembly Government's view expressed in their fuel poverty strategy that the most effective way to tackle fuel poverty is to invest in improving the energy efficiency of the homes of low-income households. The statutory target for the eradication of fuel poverty in Wales by 2018 is laudable, and Calor commends the Welsh Assembly Government for, unlike England, having not only retained but increased National Government funding for fuel poverty and energy efficiency schemes since the publication of the fuel poverty strategy.
- 1.2 However, Calor has serious concerns regarding access to, and the delivery of, existing fuel poverty and energy efficiency schemes into rural off-gas grid areas of Wales¹, and in particular the delivery of the Affordable Warmth and Carbon Saving Communities elements of the Energy Company Obligation.
- 1.3 The 2008 Living in Wales Survey found that the proportion of households in rural Wales in fuel poverty was 42% - almost double that of fuel poverty in urban areas of Wales at 22%. Fuel poverty statistics for England, published by DECC in August 2013, showed that under the Low Income High Cost indicator, rural fuel poor households experience a far higher fuel poverty gap than their urban counterparts; £588 for rural households against an average gap of £404 for all households and £361 for urban households. It follows that a similar fuel poverty gap discrepancy between urban and rural is likely to exist in Wales.
- 1.4 Income levels, the energy efficiency of properties, and energy prices, are key factors affecting fuel poverty levels. Research has indicated that 25% of households located in rural areas live below 60% of the UK median income. Rural Welsh residents are also more likely to live in older, larger dwellings, which are often both harder to heat and harder to insulate. They are also reliant on energy sources which are typically more expensive than natural gas, such as heating oil, LPG (Liquefied Petroleum Gas), electricity and solid fuel.
- 1.5 However, in spite of the higher incidence of rural fuel poverty and the deeper rural fuel poverty gap, previous energy efficiency schemes such as CERT and CESP have demonstrated that national programmes can often be focused largely on urban areas where assistance can be delivered at a lower cost and in greater volumes - to the detriment of delivery in rural areas. As rural off-gas grid Wales contains some of the worst performing housing stock and almost double the level of fuel poverty as urban Wales, Calor argues that special assistance should be given to householders living in rural off-gas grid areas. However the Welsh Assembly Government's previous programme for tackling fuel poverty – the Home Energy Efficiency Scheme – offered only standard insulation measures (cavity wall and loft), although it did give very limited provision for harder to treat and off-gas grid properties.

2. Nest:

- 2.1 It is therefore extremely encouraging that the successor to HEES – the Welsh Assembly Government's Nest scheme, which came into force in April 2011 – identifies rural households as a particular target group and includes suitable measures, such as solid wall insulation. Nest has used mapping tools and worked with Wales & West Utilities to identify properties to target, including communities located beyond the mains gas network.
- 2.2 However, it appears as though Nest is subject to similar failings as its predecessors. There is evidence to suggest that in spite of its rural acknowledgement, activity remains primarily within urban areas, with rural householders not benefitting from the scheme to the same degree as their urban counterparts. The Nest annual report which details the breakdown by urban and rural classification of customers receiving a home energy improvement

¹ It is important to note that rural does not always equal off-gas, and off-gas does not always equal rural. Around 206,000 homes (16%) in Wales are located off the mains gas network. However, around half of the off-gas households in GB (49%) are located in urban areas; these are primarily where health and safety regulations prohibit mains gas installations (i.e. high rise flats). Similarly whilst 35% of the Welsh population live in what is classified as a 'rural' area, many of these homes have access to the mains gas grid. Calor, therefore, believes that a particular fuel poverty focus should be given to those who are both located in a rural area and without access to the mains gas grid.

package, shows that in the first year of the scheme (April 2011-March 2012) the vast majority of customers (79%) receiving installations via Nest were located in urban areas. Only 21% of installations under Nest were completed within rural areas. The second year of Nest (April 2012 – March 2013) demonstrated some improvement; whilst the majority of householders (62%) were located in urban areas, those located in rural areas accounted for (38%) – an increase of 17% on the previous year.

- 2.3 With fuel poverty twice as prevalent in rural areas as urban, Calor argues that this imbalance needs to be urgently addressed and as such welcomes the recent announcement by Alun Davies, Minister for Natural Resources and Food, that the Nest scheme manager has been asked to investigate the potential for developing Nest pilot projects to tackle off-gas and hard-to-treat homes. However, as previously highlighted, rural does not always equal off-gas, neither does off-gas equal rural; a significant number of off-gas and hard-to-treat properties exist within urban areas. As such, Calor would ask that rural off-gas properties are not overlooked within this process, and that the Welsh Assembly Government investigates how many of the rural installations have taken place in properties both rural and located off the mains gas network.

3. Energy Company Obligation:

- 3.1 The Ofgem roundtable on fuel poor off-gas grid customers in October 2012 identified a need for funding schemes to be better aligned to meet overall objectives. The Welsh Government subsequently committed to adapting its funding programmes to dovetail with UK wide programmes such as ECO and Green Deal. This commitment was welcomed as it was anticipated that Wales would be able to secure higher levels of ECO funding than England, as obligated suppliers could align their work with existing schemes and funding streams from Nest and Arbed. Indeed as a result of the £16 million invested in Nest 2013, over £3.5 million of additional ECO funding was secured.
- 3.2 However there is evidence that ECO is also failing rural areas. Based on the statistics from the first 17 months of the ECO, Calor has serious concerns regarding access to, and the delivery of ECO in rural off-gas grid areas, and in particular the delivery of the Affordable Warmth and Carbon Saving Communities elements of ECO. ECO-obligated suppliers have full discretion regarding the extent of support and the measures delivered, and evidence suggests that suppliers are providing a limited number of energy efficiency measures to eligible rural households, if at all.
- 3.3 The need to intervene to provide distributional equity to rural households was partially recognised by DECC when they included heating oil and LPG boiler replacements in the eligible technologies under the Affordable Warmth element of ECO, and mandated that 15% of the Carbon Saving Communities obligation should be targeted to install insulation measures on behalf of low-income or vulnerable households in rural communities with a population of less than 10,000. This delivery is estimated to cost £25 million per year across GB. However, from the outset Calor, and other organisations, raised concerns about the validity of the 10,000 inhabitant threshold. This number of inhabitants suggests a large ‘rural’ settlement, and potentially may include urban fringe. The support, therefore, is unlikely to be delivered to communities located in rural off-gas grid areas, particularly in rural Wales, where even large village populations are more likely to number in the hundreds of inhabitants, rather than the thousands.
- 3.4 Furthermore, the current rural safeguard under the Carbon Saving Communities Obligation (CSCo) is failing to deliver assistance into rural off-gas grid areas. DECC statistics² released on 20th May 2014 indicate that out of the 776,369 total measures installed under ECO, including 122,163 under the CSCo, only 789 of these measures were installed within the rural sub-obligation. These 789 measures account for 0.1% of total ECO measures installed to end March (776,369) and only 0.6% of total CSCo measures installed (122,163). Note that 15% of CSCo is supposed to be ‘ring-fenced’ for rural communities.

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/312499/Monthly_Statistical_Release_-_Green_Deal_and_ECO_in_GB_20th_May_Final.pdf

- 3.5 Finally, whilst all fuel types are eligible under Affordable Warmth (AW) criteria, ECO obligated suppliers are not funding heating oil or LPG boiler repairs or replacement due to the higher costs and additional complexities of them delivering these boilers.
- 3.6 As ECO is funded via a levy on consumer bills, the cost burden of ECO is being disproportionately carried by poor and vulnerable Welsh off-gas grid consumers who are failing to benefit from the scheme. The Welsh Assembly Government must do everything within its devolved powers to encourage ECO suppliers to deliver measures into rural communities under both the AW and CCo elements of the scheme. Utilising existing funding under Nest and Arbed would be a practical way to facilitate this.

4. Green Deal Home Improvement Fund:

- 4.1 There is evidence that the Green Deal is also failing to benefit rural consumers. The Green Deal Home Improvement Fund (GDHIF) launched in May 2014 provides householders with additional financial support to carry out energy efficiency improvements within their home. Boiler replacement is included within this funding, however only natural gas boilers qualify, with heating oil and LPG boilers specifically excluded from the scheme. It is interesting to note that the Scottish Government has included LPG and heating oil boilers in their version of GDHIF – the Green Homes Cashback. Calor would urge the Welsh Government to consider a similar scheme.

5. Arbed:

- 5.1 Arbed has been more successful in targeting rural areas of Wales. In phase one 6,700 measures were installed in over 6,000 homes, including 2,896 internal or external wall insulation measures for walls which were unsuitable for cavity wall insulation, 1,066 solar thermal systems, 121 heat pumps (mostly air source), 765 fuel switches to mains gas and 1,797 solar PV arrays. Phase two is targeting 5,000 properties meeting a variety of criteria, including levels of deprivation and welfare benefit take up; number of off-gas grid properties and solid wall properties; whether the area is a strategic regeneration area, renewal area or Communities First area; and the number of private rental properties.
- 5.2 There is a clear drive to include rural areas which do not have access to the mains gas network in the scheme which is to be welcomed. However, as previously stated, it should be noted that not all off-gas grid properties are necessarily rural, and as the area based nature of the programme favours areas with higher densities of properties, this may in turn disadvantage rural off-gas grid properties where population concentration tends to be more sparse. In addition, fuel switching to mains gas would not be appropriate in areas with no access to the mains gas network, unless accompanied by a gas mains extension project, which for much of rural Wales is neither practicable nor affordable due to the distance from the mains gas network.

6. About Calor Gas:

- 6.1 Calor Gas Ltd is an experienced, specialist provider of energy to off-gas grid rural communities. Calor began operating in 1935 with the aim of bringing clean, efficient and modern energy solutions to homes and businesses across Great Britain. Today Calor continues to play a vital role in meeting rural Wales' energy requirements, supplying bulk and bottled LPG (Liquefied Petroleum Gas) to Welsh homes and businesses located off the mains gas grid 365 days a year. As Britain's leading supplier of domestic LPG, Calor has developed an excellent understanding of the unique energy challenges that rural householders face. Calor supports Westminster and the Welsh Assembly Government efforts to tackle rural fuel poverty. As an energy provider Calor takes its responsibilities very seriously and wants rural property owners to have a strong voice in the fuel poverty and energy efficiency debate - and the same opportunity to reduce their fuel costs, and carbon emissions, as exists in urban on-grid areas. Since 2010, Calor has been working with National Energy Action Cymru to raise awareness of, and find practical solutions to, rural fuel poverty through the Future of Rural Energy (FREE) initiative. The project was the first national dedicated fuel poverty scheme designed to solely support fuel poor households in rural, off-gas grid communities in Wales. The initiative has raised awareness of rural fuel poverty issues within the National Assembly for Wales, and with charities and NGO's including Consumer Focus Wales. It has mapped

the level of fuel poverty in off-gas grid areas of Wales, providing an indication of the extent and location of fuel poverty within off-gas grid Wales. It has also delivered practical activity in the Llŷn Peninsula and West Ceredigion – two areas with the highest levels of off-gas grid fuel poverty in Wales - where NEA Cymru trained rural advice workers in fuel poverty and energy efficiency awareness. These advice workers are now acting as local energy champions within off-gas grid communities, raising awareness of rural fuel poverty and helping to facilitate practical energy efficiency solutions. Evidence gathered from the Calor project was used to inform a policy report outlining the experiences and lessons learned by stakeholders, advisors and communities who took part and benefited from the project. The report was launched at an event attended by Alun Davies, Minister for Natural Resources and Food, at the Assembly in June 2013. Calor is continuing to work with NEA Cymru, and in 2014 the FREE initiative is helping Town and Community Councils, through One Voice Wales, to tackle fuel poverty in off-gas grid communities. Calor is committed to ensuring a fair deal for rural householders by keeping energy costs as low as possible whilst also working with organisations such as NEA Cymru, with the overall aim of eradicating rural fuel poverty.

Eitem 7

Y Pwyllgor Amgylchedd a Chynaliadwyedd

Lleoliad: **Ystafell Bwyllgora 3 – y Senedd**

Dyddiad: **Dydd Mercher, 25 Mehefin 2014**

Amser: **09.30 – 11.48**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Gellir gwyllo'r cyfarfod ar Senedd TV yn:

http://www.senedd.tv/archiveplayer.jsf?v=cy_400000_25_06_2014&t=0&l=cy

Cofnodion Cryno:

Aelodau'r Cynulliad:

Alun Ffred Jones AC (Cadeirydd)
Russell George AC
Llyr Gruffydd AC
Julie James AC
Julie Morgan AC
William Powell AC
Joyce Watson AC

Tystion:

Jane Holownia, Swyddfa Archwilio Cymru
Andy Phillips, Performance Specialist, Wales Audit Office
Mark S. Williams, Cyngor Bwrdeistref Sirol Caerffili
Andrew Wilkinson, Cyngor Bwrdeistref Sirol Conwy
Alan L. Roberts, Denbighshire County Council
Richard Brown, Cyngor Sir Penfro
Isobel Moore, Cyfoeth Naturiol Cymru
Nadia De Longhi, Cyfoeth Naturiol Cymru

Staff y Pwyllgor:

Alun Davidson (Clerc)
Adam Vaughan (Dirprwy Glerc)
Nia Seaton (Ymchwilydd)
Chloe Corbyn (Ymchwilydd)

TRAWSGRIFIAD

Gweld [trawsgrifiad o'r cyfarfod](#).

1. Cyflwyniad, ymddiheuriadau a dirprwyon

1.1 Cafwyd ymddiheuriadau gan Mick Antoniw, Gwyn Price ac Antoinette Sandbach. Nid oedd unrhyw ddirprwyon.

2 Ymchwiliad i ailgylchu yng Nghymru

2.1 Bu'r tystion yn ateb cwestiynau gan aelodau'r Pwyllgor.

3 Ymchwiliad i ailgylchu yng Nghymru

3.1 Bu'r tystion yn ateb cwestiynau gan aelodau'r Pwyllgor.

4 Ymchwiliad i ailgylchu yng Nghymru

4.1 Bu'r tystion yn ateb cwestiynau gan aelodau'r Pwyllgor.

5 Papurau i'w nodi

5.1 **Bioamrywiaeth – Rhagor o wybodaeth gan Cyfoeth Naturiol Cymru yn dilyn cyfarfod 21 Mai**

Nododd y Pwyllgor y papur.

5.2 **Gohebiaeth rhwng y Cadeirydd a Cyfoeth Naturiol Cymru yn dilyn y cyfarfod ar 7 Mai**

Nododd y Pwyllgor y llythyr

5.3 **Ymchwiliad i gynigion Llywodraeth Cymru ar gyfer yr M4 ger Casnewydd: Ymateb gan Weinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth i'r llythyr gan y Gweinidog ar 5 Mehefin**

Cytunodd y Pwyllgor i ysgrifennu llythyr dilynol at y Gweinidog

6 **Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer eitem 7**

7 **Blaenraglen Waith – Y diweddaraf**