

DP 572/03-07

Andrew Davies AM/AC
Minister for Economic Development & Transport
Gweinidog dros Ddatblygu Economaidd a Thrafnidiaeth

Your ref/Eich cyf:
Our ref/Ein cyf: MB/AD/5389/03

Cardiff Bay/Bae Caerdydd
Cardiff/Caerdydd
CF99 1NA

Private Secretary/Ysgrifennydd Preifat
Angela Williams
029 2089 8772
GTN: 1208 8772
Fax/Facs: 029 2089 8130
Angela.Williams@Wales.GSI.Gov.UK

Lisa Francis AM
Welsh Conservative National Assembly Member for Mid and West Wales
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

October 2003

Dear Lisa

**Statement on the Economic Development Committee's Report on Energy Efficiency –
Plenary session 30th September 2003**

Thank you for the response you made to my statement and the points you raised during the debate. I am now writing to address the issues you raised.

You raised a question about The Low Carbon Partnership Project which aims to deliver energy cost savings of £27.5 million and to reduce carbon emissions by 286,000 tonnes over a ten year period. The equipment and installation costs are funded by a 40% grant from ERDF and 60% private sector funding from United Utilities. United Utilities recover their investment by claiming a percentage of the resultant energy savings from the SME over an agreed period, typically 3 to 5 years.

With regard to your query about future costs likely to be incurred as a result of better practice procurement, and the use of CHP in the public sector, it is difficult to gauge at this point. Procurement is the subject of much ongoing discussion, as detailed in my written statement, for example the Assembly Construction Forum, the Welsh Procurement Initiative Team and the Welsh Health Estates. Once agreements are reached we will be somewhat better placed to look at potential additional costs however I can say that reduced energy use means reduced running costs which can release funds for investment in further sustainable practices and core activity.

I promised to inform you of energy efficiency schemes involving examples of best practice in building and how they can drastically reduce energy use. Details of the new Assembly building are contained in my written statement (enclosed for your information) other examples include the Baglan Bay Eco Factory. This building has met the BREEAM criteria of

excellent and is the first factory in Wales to do so. This building also won the Corus award for Best Industrial Building.

I trust that the details in this letter together with my written statement and my responses during the plenary have answered your concerns. I shall respond in writing to the other matters that you raised in Plenary when I receive further details of your queries.

Yours

Andrew Davies