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Make provision for a national strategy for cost effective and efficient use of energy; and for connected purposes.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 National strategy for cost effective and efficient use of energy

- (1) The Secretary of State must develop a national strategy for the cost effective and efficient use of energy and publish a report on the strategy by the end of the period of twelve months beginning with the day on which this Act is passed. 5
- (2) The strategy must include details of measures to be used to—
- (a) achieve the carbon target provided for by section 1 of the Climate Change Act 2008 (the target for 2050);
 - (b) meet the carbon budgets set under section 4 of the Climate Change Act 2008 (carbon budgets); 10
 - (c) achieve energy security; and
 - (d) end fuel poverty.
- (3) The measures in subsection (2) must—
- (a) be considered by the Secretary of State to be cost effective;
 - (b) promote energy efficiency and demand management; 15
 - (c) increase the proportion of energy produced in and from buildings; and
 - (d) increase the proportion of energy produced by community energy cooperatives and other community energy schemes.
- (4) The Secretary of State must, before developing a strategy for the purposes of subsection (1), carry out analysis of— 20
- (a) how measures which could be used for the purposes set out in subsection (2) meet the requirement of cost effectiveness in subsection (3);
 - (b) the costs and benefits to the United Kingdom's economy of measures which could be used for the purposes set out in subsection (2); 25

- (c) the lifetime costs and benefits to the United Kingdom economy of measures which could be used for the purposes set out in subsection (2), including –
- (i) a comparison of the lifetime costs and benefits of different measures on a like for like basis, and 5
 - (ii) an estimate of how different measures will reduce in cost over time as their deployment increases;
- and set out the findings of the analysis in the report published under subsection (1).
- (5) In considering whether the measures are cost effective for the purposes of subsection (3)(a), the Secretary of State must have regard to the analysis carried out under subsection (4). 10
- (6) The Secretary of State must introduce a scheme to implement the strategy at the end of the period of six months beginning with the day on which the report is published under subsection (1). 15
- 2 Consultation on cost effective and efficient energy use**
- The Secretary of State must, before developing a strategy for the purposes of section 1(1), consult –
- (a) organisations representing persons who the Secretary of State considers to have an interest in promoting cost effective and efficient energy use; 20
 - (b) organisations that have expressed an interest to the Secretary of State in promoting cost effective and efficient energy use; and
 - (c) such other persons as the Secretary of State considers appropriate.
- 3 Extent, commencement and short title** 25
- (1) This Act extends to England and Wales.
- (2) Sections 1 and 2 of this Act come into force –
- (a) in England, on the day on which this Act is passed; and
 - (b) in Wales, on such day as Welsh Ministers may by order appoint.
- (3) This section comes into force on the day on which this Act is passed. 30
- (4) This Act may be cited as the Energy Measures (Cost Effectiveness and Efficiency) Act 2016.

Energy Measures (Cost Effectiveness and Efficiency) Bill [HL]

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To make provision for a national strategy for cost effective and efficient use of energy; and for connected purposes.

Lord Foster of Bath

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