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23 June 2010

## **Centrica plc response to Low Carbon Skills Consultation**

Centrica plc welcomes the opportunity to feed into this consultation.

The need to replace over 1/3 of UK generating capacity with clean energy in the next decade, combined with the roll-out of domestic energy efficiency programmes and smart meters across the country, means an unprecedented demand for low carbon skills.

Across Centrica's businesses, we already train and employ 10,500 engineers with low carbon skills, above all in energy efficiency, decentralised energy and the installation of smart meters. In May, British Gas opened the UK's first dedicated green skills centre, in Tredegar in South Wales. More information on this and our Academies is below. We would be delighted to arrange a visit for the team if this would be of interest.

In summary, Centrica plc believes that:

- There needs to be more low carbon subjects delivered in certain STEM subjects at secondary schools. One suggestion is for businesses like ours to sponsor classes or even the pupils going through a range of low level qualifications and potentially us employing them in the future.
- The further education sector needs to establish stronger links with businesses to ensure that what is being delivered at these establishments is current to the range of low carbon technologies that are available today and possibly in 2-3 years time.
- The sector skills councils need to pool together to establish a consensus over occupational standards / skills levels for qualifications for people working within this (new) sector.
- Ideally there should be a competent person's scheme (CPS) set-up to govern the competence of people working within these technologies and less of the manufacturer led programmes which restrict businesses to certain types of technologies.

## **About Centrica plc**

Centrica plc was demerged from the former British Gas plc in February 1997. Our businesses source Energy through Centrica Upstream; generate energy through Centrica Energy and store energy at Rough, responsible for 75% of all UK storage. We sell energy and energy services through British Gas, which counts over half of UK households and also approx. 1 million businesses as customers. Centrica plc also own a North American energy company, Direct Energy.

## **Centrica Energy and the Low Carbon Economy**

Centrica Energy sources gas and generates electricity for millions of homes and businesses. Centrica has 8 gas fired plant, including a new plant at Langage which opened this year.

Following the successfully completion of a deal with EDF, Centrica now has access to 20% of the uncontracted power from the existing fleet of eight nuclear power stations, an additional 18 terawatt hours (TWh) and the right to participate in EDF's UK New Nuclear Build (NNB) programme with a proposed 4 new plant.

This year, Centrica also further strengthened our position as one of the leaders in offshore wind. In October we announced that in 2010 we will begin construction of the 270MW Lincs offshore wind development project. In January 2010 we welcomed the news that we had been successful in The Crown Estate's Round 3 offshore wind tendering process, and had been awarded exclusive rights to develop up to 4.2GW in the Irish Sea zone.

Centrica Energy believes it is essential that we get the training and skills to develop and build renewable and nuclear technologies, particularly given the extremely tight deadlines. 1/3 of all capacity will need to be replaced in the next decade, and we must ensure this is clean to meet UK and EU carbon targets. Not having a sufficient skills base could affect this programme.

## **British Gas and the Low Carbon Economy**

British Gas supplies half of all UK households and approximately 1 million businesses.

British Gas has recognised the enormous business potential offered by the transition to a low carbon economy and is now the UK's largest supplier of energy efficiency and also decentralized energy and microgeneration.

It has a long history of delivering energy efficient products and services and over the past five years it has installed over 1.5 million insulations and 100 million energy efficient measures in its customers' homes.

British Gas employs around 10,500 people whose jobs require green skills, many of whom are trained in one of British Gas' Energy Academy, awarded an "Outstanding Grade 1 by Ofsted.

## **British Gas Energy Academy and Green Skills Centre**

The Energy Academy consists of five training sites across the country: Dartford, Thatcham, Leeds, Hamilton and Leicester. British Gas has invested £30 million per year in the Energy Academy, and will invest a further £60 million in training over the next two years

The Academy was originally formed in 2003. It has trained more than 5,000 apprentice engineers, who have gained qualifications equivalent to NVQ Level 3

The training sites each include a "green" training area where apprentices can learn to install smart meters and the low-carbon technologies of the future, including solar panels and biomass boilers

In May, British Gas also recently the UK's first dedicated green skills training academy, in Tredegar in South Wales. Developed in partnership with the Welsh Assembly Government, JobMatch, Jobcentre Plus, SummitSkills and Blaenau Gwent County Borough Council, the state-of-the-art centre will offer training and qualifications for would-be energy efficiency assessors, installers of new green technologies as well as upskilling opportunities for British Gas engineers. It will train some 1,300 people a year.

The centre will focus on supporting the local economy, by employing the long term unemployed (The Heads of the Valleys has the lowest employment rate in Wales – 64 per cent, compared with 71 per cent nationally) and using newly skilled engineers to provide discounted energy efficiency and microgeneration to their communities. The Heads of the Valleys programme is a Welsh Assembly Government initiative - a 15 year, £150m undertaking focused on regenerating one of the UK's most economically and socially deprived regions. One of the programme's aims is to make improvements to over 44,000 properties in the Heads of the Valleys area

We would be delighted to arrange a visit if this would be of interest.

## **Key Challenges for Low Carbon Skills**

**Delivering significantly higher volumes of generic STEM skills at all levels; Developing and delivering rapidly the specialist skills solutions that will be needed for emerging sectors and technologies; Getting more young people and adults interested in low carbon careers, skills and qualifications;**

At school, we believe there should be a "feeding though" of vocational qualifications to introduce relevant subjects and technologies to young people still at school. This would help form a pathway to a low carbon career.

Low carbon skills could be taught through school based workshops or via attendance at business led training centres, such as the British Gas Energy Academy. Indeed, one suggestion is for businesses like ours to sponsor classes or even the pupils going through a range of low level qualifications and potentially us employing them in the future.

Again in the further education environment, there needs to be far closer links between universities, colleges and businesses to ensure that what is being taught within these establishments is current to the range of technologies that are available today as well as giving consideration for future technologies.

In both cases, there is an absolute need for businesses (like Centrica & British Gas) to be sponsoring and giving expert input into such courses to ensure that the qualified person has the required skills to be able to give a contribution back to the low carbon environment.

## **The need for proper regulation**

One challenge alluded to by the Consultation is that of ensuring the appropriate standards for low carbon skills

Particularly when dealing with domestic energy efficiency and microgeneration, it is essential that householders feel confidence in the services they are receiving.

We believe that there needs to be a consensus within the Government and a 'pulling together' of the sector skills councils (SSC's) to ensure that occupational standards are aligned throughout all of the technologies / skills throughout the construction sector i.e. gas, electrical, water & construction.

This then needs to be recognised by the awarding bodies and the relevant qualifications must be there to support what businesses are trying to achieve by implementing low carbon technologies bit through insulation of buildings through to installation micro CHP systems.

Ideally, there also has to be a unified competent person scheme (CPS) set up for the range of domestic low carbon technologies that businesses are installing and training for. The primary reason for this is that we need to ensure that what our employees / contractors are doing is in line with government expectations. The structure of a CPS is also vital to ensure that UK wide, the people that are installing low carbon measures are doing so to a specific uniform standard.

Setting up a body to manage this (similar to Capita who manage the Gas Safe Register for example) would further ensure the competence of individuals and businesses alike.

## **Further Contact**

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