



Low Carbon and Environmental Goods and Services sector strategy

Agenda

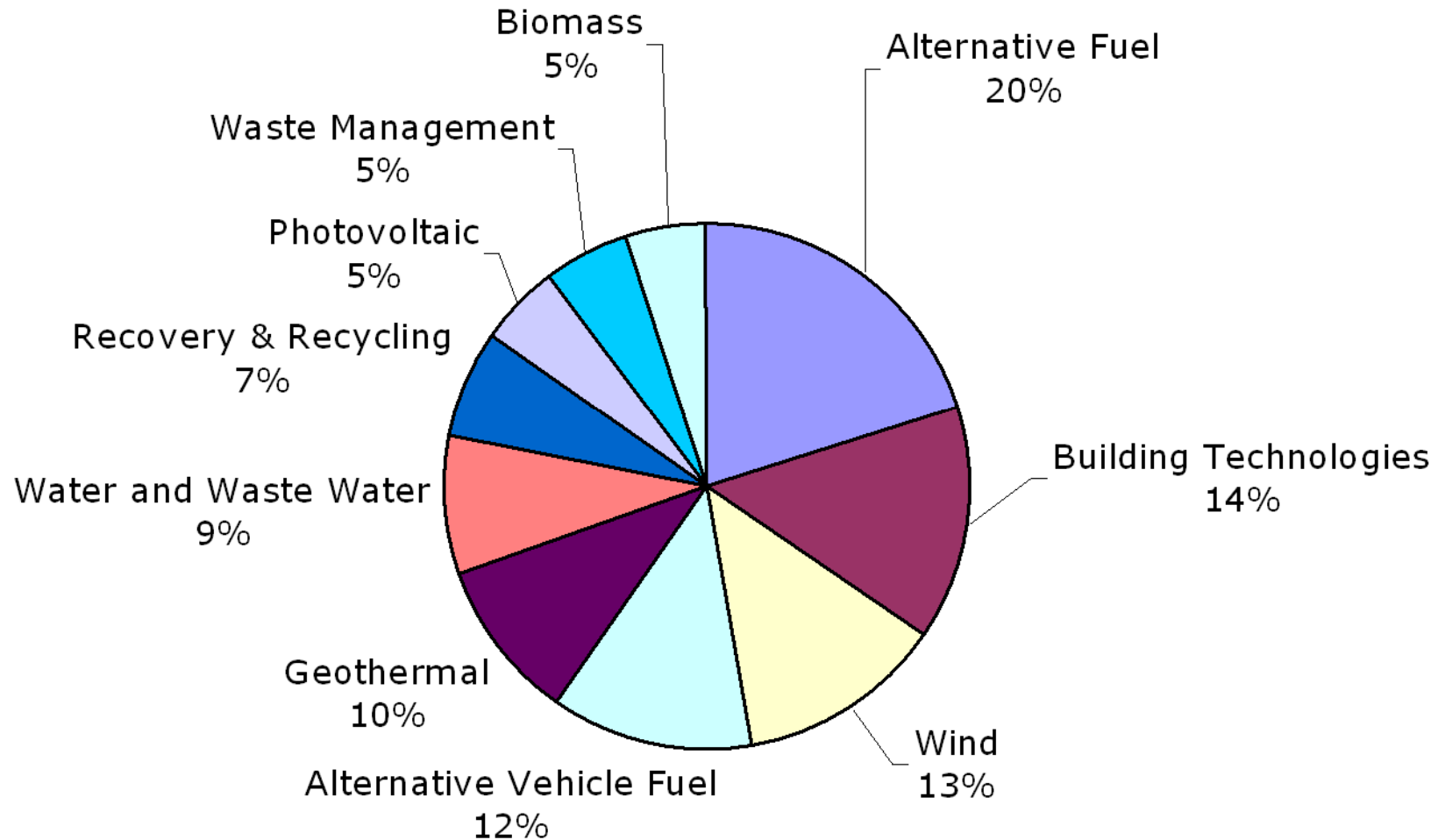
- **Why develop a strategy?**
- **Definition of the sector**
- **Market Analysis**
- **Existing projects**
- **SWOT**
- **Priority segments for the Northwest**
- **Vision for the sector**
- **Next steps**

Why develop a strategy?

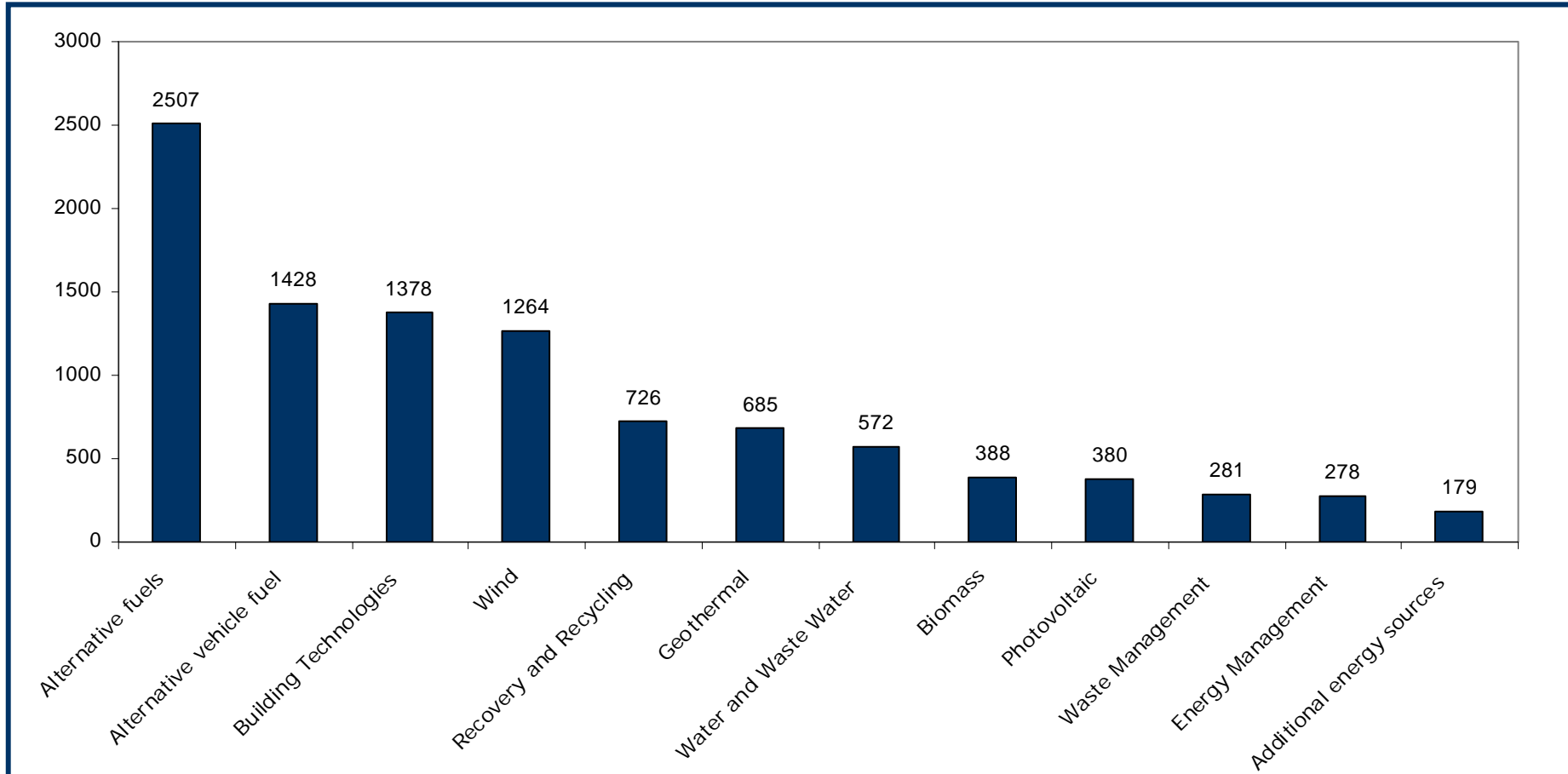
- **Priority RES sector**
- **All sectors developing strategies**
- **Focus on sector from Central Government**
- **New methodology for measuring the sector, pioneered by Envirolink**
- **Low Carbon Transition Plan outlines UK priorities**
- **LCEGS sector strategy aims to outline NW priorities**

Traditional Environmental Goods and Services	Renewable Energy Technology	Emerging Low Carbon Technology and Services
Air Pollution	Hydro	Alternative Vehicle Fuel
Environmental Consultancy	Waves and Tidal	Alternative Fuel
Environmental Monitoring	Biomass	Additional Energy Sources
Marine Pollution Control	Wind	Carbon Capture and Storage
Noise and Vibration Control	Geothermal	Carbon Finance
Contaminated Land	Consulting	Energy Management
Waste Management	Photovoltaic	Building Technologies
Water and Waster Water		
Recovery & Recycling		

Ten Largest Global Markets



Value of NW Low Carbon Sectors (£m)



Drivers for the market

- **Cost of fossil fuels and energy security**
- **Renewables Obligation, FIT and RHI**
- **Building Regulations**
- **CRC and Energy Performance Certificates**
- **Landfill tax**
- **Ageing electricity grid / smart grids**
- **IFI**

Regional Resources

- **Knowledge base**
 - eg Electrical Engineering at Manchester, Low Carbon Buildings at Salford
- **Natural resources**
 - wind, tidal and biomass
- **Size of population**
 - Waste streams
 - Availability of workforce
 - Infrastructure
 - Quality of Life

Existing support programmes

- **Envirolink Northwest**
 - Cluster Support Programme
 - Low Carbon Market Development Programme
 - Biomass Work Programme
 - Waste Virtual Centre of Excellence
- **Joule Centre for Energy Research**
- **Energy Innovation Centre**
- **NW Tidal Energy Group**
- **Climate Change Challenge Fund**

Strengths

- **Legacy of energy industry**
- **Strong infrastructure and transport network**
- **Key stone industrial players eg Peel Energy, ENW, Siemens, Pilkington and Baxi**
- **Good quality of life**
- **Effective regional stakeholder groups including NVEC and NWTEG**

Weaknesses

- **Lack of clear proposition in some segments**
- **No high profile, regional flag ship project**
- **Low levels of exports compared to national average**
- **Poor external perception / branding of some parts of the region, in particular rural areas**
- **Limited innovation and exploitation of IP**

Opportunities

- **Growing and emerging low carbon markets**
- **Increased levels of regulation driving the market eg Climate Change Act**
- **Potential to work with other RDAs to leverage complimentary region assets**
- **IFI and associated sources of funding**
- **Growing overseas markets**

Threats

- **Strong competition from other RDA, Scotland and Wales**
- **International competition from other companies seeking inward investment**
- **Competition for ongoing regional investment from foreign owned companies with decision being made outside the region**
- **Sector is driven by regulation rather than a sustainable market pull.**

Top ranked sectors in the NW

	Value	No of Jobs	National Growth rate
1	Alt Fuels	Alt Fuels	Carbon Finance
2	Alt Vehicle Fuels	Building Techs	Wind
3	Building Techs	Wind	PV
4	Wind	Alt Vehicle Fuel	Wave and tidal
5	Recovery and Recycling	Recovery and Recycling	Geothermal
6	Geothermal	Water and waste water	Biomass

Emerging segments

- Tidal
- Solid State Lighting
- Smart Grids
- Energy from Waste
- Extension of Building Technologies to include energy management technologies and services

Analysis identified 7 segments with strong regional potential

Segment
Offshore Wind
Tidal
Biomass (incl EfW)
Energy Management in Buildings (incl. building technologies, energy management and consulting)
Smart Grids (incl. smart metering, grid management, distribution networks, transmission networks and smart appliances)
Solid State Lighting

Screening criteria included:

- Attractive regional market segments in terms of current size and value
- Good growth potential associated with national and regional drivers
- Opportunities to develop regional capability in the emerging low carbon sector
- Potential regional USP in terms of natural resources, knowledge base, industrial players, and/or skills
- Potential market failures and scope for the Agency to make a material impact.

EETS Strategic Framework 2010-2013

INVEST:

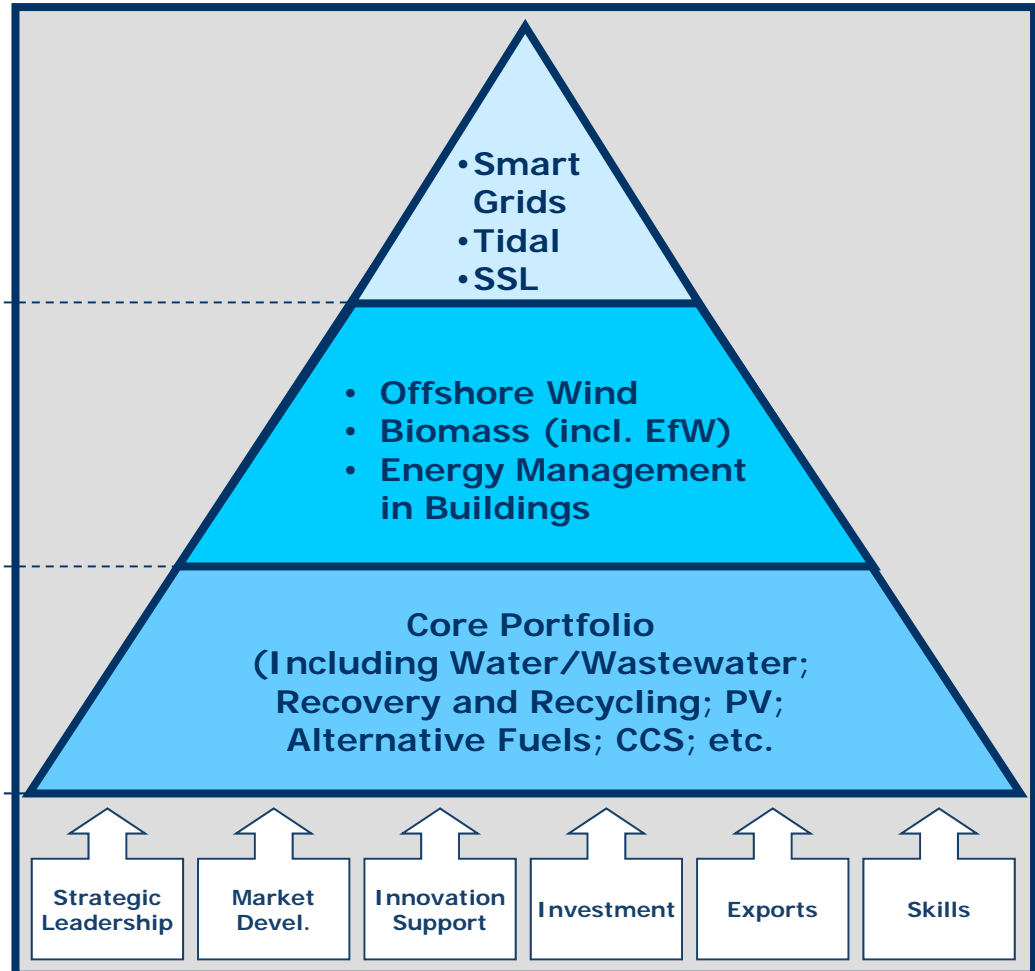
Key strategic priorities in emerging markets where region has strong knowledge base and potential USP. Focus for development of regional proposition as markets mature over next 12-24 months

BUILD:

Continue to provide support and specialist interventions for on-going development of market segments of regional significance. Ensure success of on-going initiatives.

SUPPORT:

Work with segments as appropriate to optimise growth opportunities. Look to identify and elevate future priorities for investment.



KEY STRATEGIC THEMES:

Underpinned by specific objectives; delivered via Action Plan

Scope

- **Three year life span starting in 2010**
- **Specific Action Plan which will be reviewed annually.**
- **Need to focus on long term goals to ensure the realisation of the strategic vision**
- **with flexibility to respond to short and medium term challenges and opportunities that may present themselves to the sector.**

The Ten Year Vision

In 2020 the Low Carbon and Environmental Goods and Services sector is the largest, industrial sector in the region and the leading LCEGS sector in the UK. The sector is diverse to support all the requirements of a low carbon economy with segments which are internationally leading such as nuclear energy and smart grids.

Next Steps

- The strategy is out for consultation until 24th March

www.nwda.co.uk/lcegs

- Collate consultation responses and publish final strategy
- Implement action plan