



What if we all traded energy between ourselves?

Mark Jansen

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The time may soon be coming when every government will need to think about rationing fossil fuel usage. What's the quickest and most equitable way to do it?

This is a difficult time to promote personal carbon rationing. A [February poll](#) by Ipsos Mori found the proportion of UK adults who believe climate change is 'definitely' a reality has fallen from 44 per cent to just 31 per cent over the previous 12 months. The cold winter, allegations that scientists have distorted the evidence and the failure of the Copenhagen summit to achieve binding agreements could all be to blame. Action on climate change is unlikely to be a prominent issue in the forthcoming general election.

Yet for the believers, the campaign goes on. Later this month Dr David Fleming, a former economics spokesman and press secretary for the Ecology (now Green) party and a former chairman of the Soil Association, will re-publish his manifesto for [Tradeable Energy Quotas](#) in the hope of sparking some fresh interest.

'I've been banging on about this for 14 years,' he says. 'It may very well not happen, but if it doesn't, we are going to be in such big trouble. One just must not give up.'

21st century rationing

Fleming believes passionately that the only way for nations to reduce their carbon emissions rapidly is to introduce rationing for fossil fuels. Under Fleming's TEQs, all adults would be allowed sufficient rations to meet their basic needs, but those who want to use extra fuel would have to buy credits from a market supplied by those who have undershot their quota and have spare credits to sell. Over time, the Government would reduce the total number of credits available, to force down the consumption of fossil fuels and encourage society to evolve ways of doing without them.

Fleming argues stridently that TEQs are not the same as personal carbon trading. For a start, the main emphasis is on reducing emissions rather than trading in permits to produce more carbon. There is no need for individuals to go through the vexed process of calculating their carbon footprint, and for others to verify the figures; TEQs are simply a way to ration fossil fuels and progressively reduce their usage. Nor are there any coupon books - each adult would have a TEQs account, the same as a bank account, with details carried on the same card as they use to pay for their petrol or gas. TEQs would be deducted from their accounts at the same time as cash when they pay for their fuel. Furthermore, TEQs would apply to both individuals and to companies and organisations that buy fuel.

Signs of support

Despite the current climate of scepticism, carbon rationing has previously won a measure of support in high places. Most famously, in 2006 the then-environment secretary David Miliband backed the idea of carbon rationing for all, based on smart credit cards that record an individual's energy use. But in 2008, [a report by Defra](#) dismissed the idea as too costly. David's brother, Ed Miliband, who took over the climate change brief, later said the problem was a lack of public acceptability.

Yet the argument goes on; in September 2009, the Institute for Public Policy Research thinktank [warned](#) that the Government may need to re-examine personal carbon trading as a policy option - despite being 'relatively expensive', 'difficult to implement' and 'likely to be unpopular' - if existing policies fail to achieve a cut in carbon emissions by 2012, the end of the UK's first carbon budget period.

As recently as November, the chairman of the Environment Agency, Lord Smith of Finsbury, declared at the Agency's annual conference that the Government should reconsider carbon rationing. The idea has not so far been adopted by any of the main political parties fighting the next election.

Peak oil tipping point

Fleming believes the [onset of peak oil](#) could well force them to change their minds. Peak oil is the moment when global demand for oil begins to outstrip available supplies, as existing oil fields run dry and too few new discoveries are made to keep up with demand.

Although peak oil is a hotly-disputed topic, Fleming believes peak oil is very near, possibly just a few years away. He argues that it could force governments to adopt TEQs: the quotas would offer a way to distribute the remaining fuel fairly, ensuring, for example, that pensioners are able to heat their homes, while providing a way to manage the transition to life without fossil fuels.

'When oil shortages begin, there is going to have to be some sort of rationing scheme,' he says.

Fleming is by no means a lone voice on peak oil. The concept has been supported by companies such as Virgin, Scottish and Southern Energy and transport operator Stagecoach. In a [report published in February](#), the Industry Taskforce on Peak Oil and Energy Security warned that oil shortages and corresponding price volatility could be just five years away. Sir Richard Branson,

whose Virgin airline and train companies would be severely affected, [called on the Government](#) to work with industry on addressing the problem.

Oil and equality

Last autumn a version of Fleming's TEQs manifesto was [published by the All-Party Parliamentary Group on Peak Oil](#). This cross-party group of MPs was set up in 2007 to consider the consequences of declining world oil production for the UK and world economy. Fleming, who can be very self-critical, says that 'nobody noticed at all' when his report was published, but John Hemming, Liberal Democrat MP for Birmingham Yardley and chair of the group, gives a more upbeat assessment.

'A debate needs to be had, over time, as to whether we try to have an egalitarian approach and control the demand for oil, or just leave it to the free market, which will tend to be very volatile and hit the economically weak. Hence it's worth publishing a report which looks at these issues,' he says.

He insists that the world and governments are slowly waking up to peak oil.

'It's a gradual process,' he says. 'A few years ago, people didn't know what peak oil was, now they know what it means, they just aren't sure when it's going to be.'

He adds: 'We need a world in which people are managing demand for fossil fuels.'

Volunteers pave the way

Until such time as governments are prepared to introduce carbon rationing, the voluntary sector may have to lay some of the groundwork. David Symons, a director at global engineering firm WSP, has been leading a work-based, voluntary carbon rationing scheme for over two years, with increasingly impressive results.

'I believe the idea of mandatory personal carbon trading, as a policy option, is worth following,' Symons says. 'But for the moment, voluntary schemes have more immediate benefit and impact, in my opinion.'

Symons started the personal carbon tracking scheme, known as [PACT](#), in the UK branch of WSP in 2007 and attracted 25 participants. This year the scheme has been adopted by branches of WSP around the world and has attracted 720 signed-up participants. Every quarter, they enter details of their energy consumption into the scheme's website. The PACT scheme covers direct energy consumption, such as electricity and gas, fuel consumption from personal travel outside of work, including large journeys of over 50 miles made on public transport, flights and so on. Every year a total carbon budget is set and cash rewards are given to those who undershoot the target, while fines are levied on those who exceed it, through the company payroll system.

This year the carbon budget has been set at five tonnes per person, down from five and a half tonnes last year. The reward for beating this target has been set at five pence per kilo of carbon and the fines for exceeding it are calculated at the same rate. The rewards and fines are capped at £100. Last year some 60 per cent of participants beat the carbon budget and received some cash reward, with average carbon savings thought to be around 10 per cent per person.

Free choice

Symons readily admits that the system is entirely based on trust: there are no independent checks made on the carbon figures reported by participants. 'We are not in the business of sending people round to check [the figures],' he says. 'To be honest, although we think the calculations are accurate, what we are really interested in is getting people engaged with reducing their carbon emissions.'

Participants are free to choose their own way of achieving this. Symons traded down his sports car for a Peugeot 205. WSP's UK managing director now cycles to work. Others have had to develop green habits, such as turning lights off, turning electrical equipment off stand-by, turning down their heating thermostat or buying green energy from reputable suppliers. One employee took a train to Italy for his honeymoon instead of flying.


Symons acknowledges that the scheme has limitations: 'I don't think we've got too many people who've been motivated to change their boiler because of it,' he says. However, he believes that voluntary schemes can help people to make 'low cost and relatively easy' changes to their lifestyle that add up to worthwhile carbon savings.

'These people are a Godsend'

Symons is now talking to other companies about adopting the PACT scheme. Invensys Rail, a manufacturer of railway signalling and train control products, already has 180 staff signed up and Symons is confident that others will follow. He believes the key to success for a voluntary carbon reduction scheme is to keep it fresh - this year, for example, Symons hopes to negotiate discounts on green energy, or renewable energy equipment, for participants. 'Focus on the positive - emphasise what you can gain, rather than what do you have to give up. Make them mainstream, rather than the preserve of the eco-eccentric,' he enthuses.

Despite his strong belief that carbon rationing needs to be introduced at a national level by governments, Fleming greatly admires voluntary action groups, believing they will help to lay the foundations of expertise that will make TEQs possible to implement: 'If or when TEQs are introduced, those people will be right up there, showing other people how to do it. They'll be an absolute Godsend,' he says. 'In our society we've ignored the greatest source of energy we've got, which is the intelligence of individuals.'

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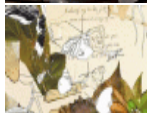
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