

## **Lean Energy: Tradable Energy Quotas (TEQs)**

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**This could be the dawn of a new age: the age of Lean Energy. It could be the moment when we develop a common purpose in response to two problems says Dr David Fleming of the Lean Economy Connection.**

There is the climate problem; oil, gas and coal produce the greenhouse gases that are raising the temperature. And there is the supply problem: the stock of oil and gas in the ground is being used-up rapidly; in the coming years, there will be scarcities. So, we have a choice: to wait for trouble affecting both the climate and the supply of energy; or to take it step by step, to descend the energy staircase, co-operating in solutions and alternatives as we go, and maintaining a fair distribution of the energy on which we all depend.

Tradable Energy Quotas (TEQ's) are a system for rationing fuel which includes everyone – individuals, industry and the Government – and which enables users to sell any rations they do not use. They bring citizens, industry and Government to together in a single scheme. They supply the incentive needed to take action now to achieve a transformation in the way we will be using fuel in the future. They are fair. They are simple and practical. They get their results by uniting us all in the common purpose.

### **A Brief Guide to TEQs**

1. Tradable Energy Quotas (TEQs) are an electronic system for rationing energy.
2. There are two reasons why energy-rationing may be needed:
  1. *Climate change*: to reduce the carbon dioxide released into the air when oil, gas and coal are used.
  2. *Energy supply*: to maintain a fair distribution of oil, gas and electric power during shortages.
3. TEQs (pronounced “tex”) are measured in units.
4. Every adult is given an equal number of units. Industry and Government bid for their units at a weekly Tender.
5. At the start of the scheme, a full year's supply is placed on the market. Then, every week, the number of units in the market is topped up with a week's supply.
6. Units can be traded. If you use less than your entitlement, you can sell your surplus. If you need more, you can buy them.
7. When you buy energy, such as petrol for your car or electricity for your household, units equivalent to that amount of energy are deducted from your TEQs account. Most transactions are automatic, using direct-debit technology.
8. The number of units available is set out in the TEQs Budget, which looks 20 years ahead. The size of the Budget goes down week-by-week – step-by-step, like a staircase.
9. The Budget is set by an independent Energy Policy Committee.

10. The Government is itself bound by the scheme; its role is to work out how to live within it, and to help the rest of us to do so.

**To order copies of the booklet from which this brief guide is taken:**

*“Energy and the Common Purpose – Descending the Staircase with Tradable Energy Quotas”*  
(priced £5 each plus; £3 if more than 6 copies plus £1 shipping for any number of copies)  
send cheques payable to The Lean Economy Connection at PO Box 52449,

London NW3 9AN

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