

Sent on behalf of the organisations listed below

Rt Hon Greg Clark MP
Secretary of State for Business, Energy and Industrial Strategy
Department for Business, Energy & Industrial Strategy
1 Victoria St
Westminster
London
SW1H 0ET

27 March 2017

Clean Growth Plan

Dear Secretary of State,

As companies and trade bodies active in the energy efficiency, construction and heat markets we urge you to use the Clean Growth Plan to address the significant gap in policy to decarbonise heat for buildings. We offer our support and expertise as a group of organisations that can play a crucial role in delivering the emissions cuts the UK needs to achieve, in addition to creating jobs and boosting economic productivity.

Research consistently suggests that reducing energy demand from our homes is one of the most cost effective ways to meet the UK's 2050 carbon target. Taking a 'fabric-first' approach to decarbonising heat, where cost effective, will also provide many co-benefits to society in terms of healthcare costs, fuel poverty, jobs, energy security and economic productivity. Because of these benefits, energy efficiency should be designated an infrastructure investment priority for the UK.

Additional policy is also required to support the transition to low carbon heat. The Government should grasp the opportunities offered by existing technologies and support the growth of heat pumps and district heating to drive down carbon emissions in the short to medium term. In addition, there must be a concerted period of research and testing of heat decarbonisation options for the UK's long-term needs.

The upcoming Clean Growth Plan is an opportunity to provide clarity for businesses in the energy efficiency, heating and construction sectors, and seize the economic benefits. A recent study found that a nationwide programme to improve the energy efficiency of homes would result in increased employment by up to 108,000 net jobs per annum over the period 2020-2030, mostly in the service and construction sectors. These jobs would be spread across every region and constituency of the UK¹.

We urge you to include the following in the Clean Growth Plan:

- A long-term target for all homes to have an energy performance rating of C or above by 2035. This would provide a clear direction of travel for the sector, and enable investment across the supply chain.

¹ [Building the Future: the economic and fiscal impacts of making homes energy efficient](#). Verco and Cambridge Econometrics, 2014.

- The introduction of minimum standards on efficiency for existing homes, enforced at the point of sale, and backed up by incentives (for example, implemented through council tax or stamp duty), grants and zero interest loans.
- All new buildings to be ‘nearly zero energy’ by 2020, as specified under the EU Energy Performance in Buildings Directive. As the UK goes through the process of leaving the EU, these standards or higher must be incorporated into UK law. This would ensure that we do not face costly retrofit in future years and create certainty for industry.
- A clear strategy and policy to accelerate the roll out of low carbon heat, particularly electric heat pumps, in buildings off the gas grid to 2020 and beyond.
- Support the growth of district heat networks by building on the Heat Network Investment Project through the 2020s and providing a long-term investment framework to facilitate lower cost capital.
- A local authority-led approach to heat decarbonisation, to ensure we have a long-term plan for all buildings that coordinates action on energy efficiency and low carbon heat.

Building these measures into the Clean Growth Plan will be good for the environment and good for the British economy.

We would be very happy to come and discuss these points in more detail with you.

Yours sincerely,

Ian Mollard, ECO Director

A&M Energy Solutions

Mark Randall, Managing Director

Aran Services

Christopher Jofeh, Director, Global Buildings
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Andrew Warren, Chairman

British Energy Efficiency Federation

Simon Storer, Chief Executive

**British Rigid Urethane Foam
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Cc: Rt Hon Sajid Javid MP, Department for Communities and Local Government
Rt Hon Philip Hammond MP, HM Treasury