The Rt Hon Amber Rudd MP Secretary of State for Energy & Climate Change Department of Energy & Climate Change 3 Whitehall Place London SW1A 2AW

17th November 2015

Dear Secretary of State

The importance of strategic heat policy

Following your appearance in front of the Energy and Climate Change Committee regarding DECC's Annual Report and accounts on 9th November 2015, we are delighted to hear that heat was recognised as a key area in reaching our 2020 targets, our carbon budgets and the long term decarbonisation of the UK's energy system.

We share the government's commitment to reaching these targets and believe that low carbon and renewable heat is essential to doing so. As you know, 47% of all UK energy is used for heat, which is responsible for a third of the UK's carbon emissions. Yet only 4.9% [2014] of our heat infrastructure is currently low carbon.

We are pleased that maintaining RHI support is central to your thinking on how to meet the government's targets, as you mentioned before the ECCC. A strategic heat policy, which includes everything from energy efficiency and housing standards, to network infrastructure, and to renewable heat is vital to a rounded government approach. However, confirming this at the Comprehensive Spending Review is crucial to the industry.

We need to accelerate the growth of low carbon heat to hit our 2020 targets to deliver cost effective CO2 emission reductions and enhance energy security. To support the delivery of some of the objectives of the Renewable Heat Incentive, further non-monetary measures are needed, such as the promotion of heat networks, encouragement of energy efficiency and progressive and cost effective regulation to encourage low carbon and renewable heating systems in both new build and retrofit.

The renewable heat industry looks forward to policy certainty following the Comprehensive Spending Review, and we are looking forward to working with government to optimise policy and to collaborate on upcoming plans for post-2020 heat, which will bring consumers and industry together to achieve a low-cost, low-carbon future.

With the right policies and government support, the industry is certain we can reach the 2020 targets in an efficient and effective way, and contribute to longer term climate change targets.

Yours sincerely,

N.M. Shongshe

Dr. Nina Skorupska Chief Executive, Renewable Energy Association



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