



Department for
Business, Energy
& Industrial Strategy

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Rt Hon Kwasi Kwarteng MP
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Dear Mr Hook

6th August 2019

Thank you for your letter dated 1 July, to the Prime Minister, regarding Teignbridge District Council's commitment to tackle climate change. I am replying in my role as Acting Minister of State for Energy and Clean Growth.

I welcome the news that Teignbridge District Council has recently backed the Devon Climate Declaration. The Government welcomes the actions of Local Authorities across England to tackle climate change. We have always been clear that to achieve our climate targets will take significant ambition at all levels. This Government is looking at what support we can provide through our local energy programme and other programmes to help Councils make progress in taking action to tackle climate change.

Additionally, in November 2018, the Government launched six local supply chain demonstration projects, across the country. The projects will focus on reducing the cost for retrofit and building supply chain capacity, at a local level, whilst also addressing the non-financial barriers to deeper retrofit, such as supply chain fragmentation and the high costs of installing measures.

The Government supports local areas who wish to become carbon neutral or reduce their carbon footprint. The BEIS Local Energy Programme supports Local Authorities and Local Enterprise Partnerships (LEPs) to plan for and develop local energy projects for their region. As part of this we have provided funding for each LEP to develop a Local Energy Strategy to further thinking and action in this area. Heart of the South West LEP have developed their strategy jointly with Dorset LEP and Cornwall and Isles of Scilly LEP.

We have also established 5 Local Energy Hubs which work with Local Authorities and LEPs to plan and develop business cases for low carbon energy projects. One of these is based in the South West and hosted by West of England Combined Authority.

In support of communities directly, we have recently re-opened the Rural Community Energy Fund which is being run by the Local Energy Hubs. This fund aims to support rural communities to develop renewable energy projects.

More broadly, we have made world-leading progress to date in cutting our emissions while growing the economy- between 1990 and 2017, the UK reduced its emissions by 42% while growing the economy by more than two thirds.

A net zero target requires us to build on this progress by transforming our economy – our homes, our transport, our businesses, and how we generate and use energy. We have set out strong frameworks under the Clean Growth Strategy and Industrial Strategy which we will build to deliver the net zero target. More details about the Clean Growth Strategy can be found at: www.gov.uk/government/publications/clean-growth-strategy.

You mentioned the potential for jobs and the need for skills training for the transition to a green economy. The UK has a strong base to build upon – there are already almost 400,000 jobs in low carbon businesses and their supply chains across the country, and latest official statistics show turnover for clean businesses was up 7% in 2017, with turnover in the low carbon sector growing more quickly than UK GDP.

We want to position the UK at the forefront of low carbon technologies, systems and services that will be needed for this transformation. For example, the Offshore Wind Sector Deal, published on 7 March 2019, aims to deliver the potential to support 27,000 jobs in the offshore sector by 2030.

We also launched the Buildings Mission to halve the energy use of new buildings by 2030. This will lead the way in achieving our net-zero targets. In addition, the introduction of a Future Homes Standard by 2025 was announced at Spring Statement 2019 to ensure so that new build homes are future-proofed with low carbon heating and world-leading levels of energy efficiency.

Alongside this, The Energy Company Obligation (ECO), worth £640m per annum, requires larger energy suppliers to install energy efficiency measures, including insulation. The latest iteration of the scheme, ECO3, is focussed entirely on low income and vulnerable households and will last until March 2022. We estimate that around 1 million insulation measures will be installed under ECO3.

With regard to the Renewable Heat Incentive (RHI), the budget to cover both Domestic and Non-Domestic schemes was confirmed in the November 2015 Spending Review up to 31 March 2021. Those who have submitted an application before this date will continue to receive financial support for 7 years on the Domestic scheme and 20 years on the Non-Domestic.

I note your point about electric vehicles, and we are committed to supporting the transition to zero emission vehicles. The 2040 target is ambitious but achievable and we believe, following extensive consultation, that we have identified the right balance between our environmental ambitions and deliverability, giving consumers and industry time to transition.

You also raised the issue of international aviation and shipping emissions in regard to the net zero target and I agree that it is essential that these sectors play their role. Action to tackle emissions from these sectors must be done globally to be effective, which is why we are taking a leadership role in the relevant international organisations – the International Maritime Organisation (IMO) and the International Civil Aviation Organisation (ICAO). We will keep our approach to the inclusion of these emissions in our legislation under review, taking account of progress in the IMO and ICAO

We are also working to support our farmers to become more sustainable. This year, we will start developing a new emissions reduction plan for agriculture, in which we will set out our long-term vision for a more productive, low-carbon farming sector. The Agriculture Bill, our future farming policy, Food Strategy and 25 Year Plan will consider measures to address climate change.

Finally, the Government hosted the first Green GB Week in October 2018 showcasing the benefits and opportunities of clean growth. Over 100 events were held across the UK and

over 60 pledges were made by businesses for the week, including from Amazon, HSBC and John Lewis.

This year Green GB Week will be hosted from 4-8 November, in conjunction with the Government's Year of Green Action, to highlight the opportunities, benefits and challenges of reducing our emissions to net zero. More information on how to get involved in Green GB & NI week 2019 will be available on the website in due course.

Thank you again for taking the time to write. It is heartening to see communities across the UK working together to face the profound challenge of tackling climate change. I have also enclosed a summary of 'Ten Climate Actions to Celebrate' that may be of interest.



RT HON KWASI KWARTENG MP
Minister of State for Business and Energy

TEN CLIMATE ACTIONS TO CELEBRATE

1. The UK passed the world's first Climate Change Act over a decade ago with cross-party support. This gave us both a framework to set statutory carbon budgets and set up the independent Committee on Climate Change.
2. On 27 June 2019, the UK became the first major economy to set a net zero target in law.
3. Since 2000, independent analysis shows that no other major industrialised country has done more than the UK to cut CO₂ intensity (the measure of carbon for each pound of GDP). We have seen reductions of an average of 3.7 percent a year, compared to the EU average of 2.3 per cent and a G7 average of 2.2 per cent. The last time emissions in the UK were this low was in 1888 when Queen Victoria was on the throne, and our progress is accelerating; between 2010 and 2018, we reduced UK greenhouse gas emissions by approximately a quarter overall.
4. Ending coal use in our electricity generation through a huge shift to renewables and gas driven by decisive policy action: a UK carbon floor price (in addition to the European ETS). We have seen coal use on the grid tumble from almost 40 per cent in 2012 to our first "coal free" generation day in April 2018 and our first coal-free fortnight since the Industrial Revolution in May-to-June this year. By 2025 the UK will have no coal powered electricity generation.
5. We've used this achievement to establish the global Powering Past Coal Alliance with Canada – a coalition of 80 national and sub-national governments, businesses and organizations committed to phasing out unabated coal generation by no later than 2030.
6. Renewable electricity generation has quadrupled since 2010 and clean electricity now gives us over 50 per cent of our total.
7. Our renewables mix is diverse but we are rapidly developing the incredible potential for offshore wind around our coastlines, with the world's largest offshore wind capacity (8GW) and, in March, the launch of a new £250 million sector deal to provide at least 30 percent of our electricity from offshore wind by 2030 (and a requirement that at least 60 per cent of the supply chain is UK sourced by 2030).
8. The low carbon sector and its supply chain is now providing almost 400,000 "green collar" jobs in the UK (more than aerospace) and is growing much faster than the main economy – with estimated potential exports of more than £60 billion by 2030.
9. The government is investing more than £3 billion in low carbon technology over this parliament – the largest ever public R&D investment in clean growth.
10. We have consistently been in the vanguard of international action, helping to lead the Paris 2015 Climate conference, delivering £6 billion in International Climate Finance over this Parliament and bidding to host the crucial 2020 UN climate negotiations here in the UK.

