



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Darren Jones MP
Chair, Business, Energy and Industrial Strategy Committee
House of Commons
London
SW1A 0AA

14 July 2021

Dear Darren,

REQUEST TO ATTEND DECARBONISING HEAT IN HOMES INQUIRY

Thank you for your letter of 6th July requesting further detail on the policy papers relevant to domestic heat decarbonisation.

As you are aware, the government has set the most ambitious climate change targets of any advanced economy. The policies required to meet them require careful consideration to ensure that they are sufficiently ambitious while fair and affordable. As you would expect, such important policy papers are progressing through the usual process of collective agreement before publication. While the Treasury is heavily engaged, BEIS is ultimately responsible for the publication of the Heat and Building Strategy.

While I'm confident the Strategy will provide industry with greater certainty and further reason to invest in the heat sector, the policies already set out in the 10 Point Plan are expected to generate £11bn in private investments in heat decarbonisation over the 2020s. We have seen the recent announcements by Octopus, Mitsubishi and Vaillant, creating new jobs in Slough, Derbyshire and Livingston, while driving down costs for consumers.

HM Treasury's Net Zero Review is an analytical report that uses existing data to explore the key issues and trade-offs as the UK decarbonises. Our interim report, published last year, set our general approach and contained analysis central to the final report, which will be published in due course.

The Net Zero Review will not contain policy announcements but will inform sectoral decarbonisation strategies. The substantive detail of how we will decarbonise our homes will be set out in the Net Zero Strategy being developed by BEIS. Work on the contents of this crucial strategy is progressing at pace and I want to assure you that HM Treasury are engaging closely with BEIS on its development ahead of publication prior to COP26.

As stated in my correspondence from 30th June, I look forward to engaging with the Committee on the substantive detail of these policies once they have been published.

Yours sincerely,

A handwritten signature in black ink, reading 'Kemi Badenoch'. The signature is fluid and cursive, with the first letters of 'Kemi' and 'Badenoch' being capitalized and prominent.

Kemi Badenoch
Exchequer Secretary to the Treasury