



Department for
Business, Energy
& Industrial Strategy

Rt Hon Graham Stuart MP
Minister of State for Climate

Department for Business, Energy &
Industrial Strategy
1 Victoria Street
London
SW1H 0ET

UK Business Group Alliance for Net Zero
UK Corporate Leaders Group
C/o Eliot Whittington
Director CLG UK

Website: www.gov.uk

Our ref: MCB2022/23175

Email: Eliot.Whittington@cisl.cam.ac.uk

8 November 2022

Dear All,

Thank you for your letter dated 20 September to the Prime Minister, about prioritising net zero and nature restoration. I am responding on behalf of the Government.

The Government published the British Energy Security Strategy on 7 April following rising global energy prices and volatility in international markets. This includes bold new commitments to supercharge clean energy and accelerate deployment, including offshore wind, onshore wind and solar. Our acceleration of renewable deployment will be supported by the UK's main mechanism for supporting large scale low-carbon generation, the Contracts for Difference Scheme (CfD). Our latest round delivered almost 11GW of new renewable projects, almost double that achieved in the previous round. In February, we also announced that the next CfD round will be brought forward to March 2023, and future rounds will run annually, rather than every two years, helping to drive deployment of renewable power.

The UK has a strong track record in making homes more energy efficient, with 46% in England now at EPC C or better, up from 14% in 2010. However, while we have made significant progress on upgrading homes, we know we still have further to go. We will deliver upgrades to over half a million homes in the coming years through our Social Housing Decarbonisation, Home Upgrade Grant Schemes and Energy Company Obligation Scheme. The cost-of-living crisis gives even greater urgency for action to make homes more energy efficient to reduce energy bills. Though the Governments 'Help to Heat' capital schemes, domestic consumers will save between £400 and £700 per annum, based off the current price cap. We have also introduced zero-rating VAT for the next five years on the installation of insulation and low-carbon heating, saving around £1,000-£2,000 on the cost of an air source heat pump, for example.

Nature is in need of our help, so the Government has set a legally binding target to halt its decline by 2030. In March this year, we published the Nature Recovery Green Paper setting out our proposals to reform our system of protections to support this ambitious work better, including the Habitats Regulations. The Green Paper is available here: <https://consult.defra.gov.uk/nature-recovery-green-paper/nature-recovery-green-paper>. The Nature Recovery Green Paper consultation closed on 11 May, and we are now in the process of analysing responses. The Government will publish a formal response in due course.

A systemic transformation across the UK economy, including Natural Resources Waste & F-Gases (NRWF) sectors, is required to achieve net zero by 2050. The Government will support farmers to take up low carbon practices and technologies, simultaneously helping to improve

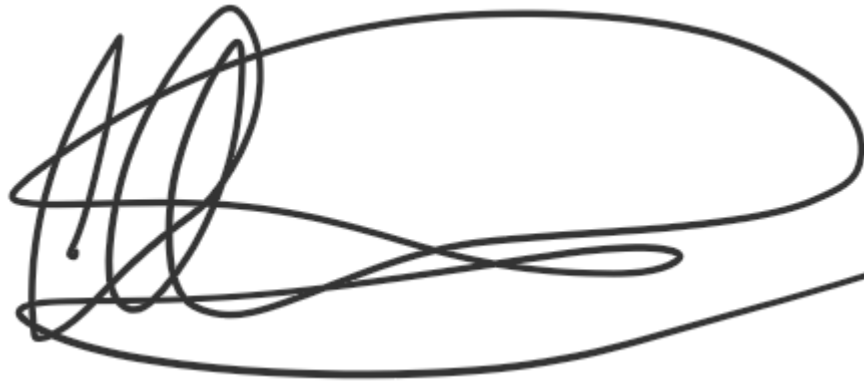
business productivity and profitability gains, through our farming schemes. This will include offering support for low carbon farming practices through the new environmental land management schemes, our animal health and welfare pathway, as well as other offers such as the Farming Innovation Fund (FIF) and Programme (FIP).

The Prime Minister has announced an independent review of the Government's approach to meeting its net zero 2050 target, led by Chris Skidmore MP. This is to ensure we deliver our legal commitment to reach net zero by 2050 in a way that is pro-business and pro-growth, given the change in the economic landscape.

Since publishing the Net Zero Strategy in October 2021, economic conditions have changed significantly, due primarily to the Russian invasion of Ukraine. Energy prices and inflation have risen sharply, the former to record levels. Reporting by the end of this year, the Skidmore review will ensure delivering the net zero target is not placing unnecessary burdens on businesses or consumers.

Thank you again for taking the time to write. I hope you will find this reply helpful.

Yours ever,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Rt Hon Graham Stuart MP
Minister of State for Climate