



DEBATE PACK

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Energy Efficiency and the Clean Growth Strategy

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This pack has been prepared ahead of the debate to be held in Westminster Hall on Thursday 8 March 2018 at 1.30pm on energy efficiency and the Clean Growth Strategy. The subject for the debate has been selected by the Backbench Business Committee and the debate will be opened by Antoinette Sandbach MP.

In her evidence to the Backbench Business Committee, Antionette Sandbach MP said that there has not been a parliamentary backbench debate specifically on energy efficiency in homes and buildings for six years and that the Clean Growth Strategy had not been debated other than at its publication. The Clean Growth Strategy was published in October 2017 and sets out decarbonisation policies to meet the fourth and fifth carbon budgets. This debate pack outlines the Government's policies with regard to energy efficiency, including those proposed in the Strategy as well as current and previous schemes. The pack also outlines press and parliamentary material related to energy efficiency and the Clean Growth Strategy.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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1. Background

This briefing sets out trends on energy efficiency, energy efficiency policies and details from the Clean Growth Strategy for use in the debate. It provides a brief overview rather than debating the detail of the policies.

1.1 Reason for debate

In her evidence to the Backbench Business Committee, Antionette Sandbach MP said:

There has not been a parliamentary backbench debate specifically on energy efficiency in homes and buildings for the last six years. The clean growth strategy itself has not been debated; the only discussion of it in Parliament was on the day of its launch, when MPs had no opportunity to consider its real impact.¹

It was also mentioned that the debate has cross party support from 22 MPs.

Antoinette Sandbach said the debate is timed ahead of the National Infrastructure Commission's report on energy efficiency in April:

This is a really crucial time for energy efficiency policy, with policy decisions that need to be made urgently in order to maximise the impact of possible measures. The Infrastructure Commission is due to report in April on energy efficiency in homes and buildings as an infrastructure priority.²

Steve McCabe added that the debate was an opportunity to discuss the details behind the Clean Growth Strategy policies:

[...] although the clean growth strategy has been announced, we have had no opportunity to look at the detailed policies that the Government intend to use to measure progress towards that. Unless there is an opportunity to understand exactly how these policies will be implemented, and to explore and challenge the progress that will be followed, it is difficult to see how anyone in this place can make any assessment of progress on energy efficiency or support for homes where that is the biggest problem, or of how the Government could hope to meet any targets. All of that would be enabled by a debate of this order.³

1.2 Energy Efficiency Trends

Energy efficiency is the process of making homes and appliances more efficient so they use less energy. In 2016, a report by the then Energy and Climate Change Committee argued energy efficiency was a win-win as it can increase energy security, reduce carbon emissions and reduce costs for consumers:

¹ House of Commons, Backbench Business Committee, [Representations: Backbench Debates](#), 27 February 2018

² House of Commons, Backbench Business Committee, [Representations: Backbench Debates](#), 27 February 2018

³ House of Commons, Backbench Business Committee, [Representations: Backbench Debates](#), 27 February 2018

Improving home energy efficiency is a 'win win' for households and the UK as a whole. It enhances the UK's energy security, cuts the carbon emissions from our building stock, and reduces costs—the cheapest energy is the energy that we don't use. From the consumer perspective, the benefits include lower energy bills, warmer homes that are more comfortable to live in, and improved wellbeing. Insulating draughty homes can also save vulnerable people from fuel poverty—a problem which remains unacceptably prevalent across the UK.⁴

Since 2002, domestic energy demand has decreased by 18% after controlling for temperature, despite a 9.8% increase in the number of households and a 10.6% increase in population. Energy consumption, per household, is up slightly from a low in 2014, but is still 23% below 2002 levels.⁵ In addition to this, most UK homes now have double-glazing, half of households with gas central heating systems use high efficiency condensing boilers, and household appliances have become increasingly energy efficient.

The energy efficiency of a property is measured through an Energy Performance Certificate (EPC). The certificates are graded on a scale of A (most efficient) to G (least efficient). The proportion of households that have the lowest energy efficiency ratings (F to G) fell from 17% to 5% between 2006 to 2016. Moreover, the proportion of domestic properties that fall within the highest energy efficiency ratings bands (A to C) increased from 5% to 30% over the same time period.⁶ However there has been criticism of Government policies on energy efficiency such as a limited scope, the way the policies have been implemented, and their costs to consumers (see section 1.5 below).

Despite this, fuel poverty remains a problem for millions of households. According to the Government's 2017 [Annual fuel poverty statistics report](#) (which uses the latest data from 2015), fuel poverty rates have fluctuated but remained relatively stable at between 10 and 12% of homes since 2003. In 2015, it was estimated that 11% (approximately 2.50 million households) in England were in fuel poverty, an increase of 0.4 per cent from 2014. The definition of fuel poverty differs between regions. In England, a household is deemed to be in Fuel Poverty if it has required heating costs which are above the national median, and meeting these costs places the household below the official poverty line (60% of median income).⁷

Further information on areas related to this topic is available in the Library briefing papers on:

- [Fuel Poverty](#) (February 2016),
- [Help with Energy Bills](#) (February 2016),
- [Energy bills and proposals for reform](#) (October 2017),

⁴ HoC Energy and Climate Change Committee, [Home energy efficiency and demand reduction](#), Fourth Report of Session 2015-16, 12 March 2016

⁵ Department for Business, Energy and Industrial Strategy, [Energy Consumption in the UK 2017](#), Table 1.01 & 3.04 ,

⁶ Ministry of Housing, Communities and Local Government, [English Housing Survey 2016/17](#), Table AT2.6

⁷ Department for Business, Energy and Industrial Strategy, [Annual fuel poverty statistics report](#), 2017 (2015 data), England, June 2017

- [Energy Prices](#) (February 2018),
- [The Warm Home Discount Scheme](#) (May 2016),
- [The Energy Company Obligation](#) (March 2017),
- [Zero Carbon Homes](#) (May 2016),
- [Green Deal](#) (February 2014)

1.3 Previous Government schemes

The UK was the first country in Europe to introduce Energy Savings Obligations on energy suppliers in 1994. As energy efficiency is now devolved, the devolved administrations also have their own additional energy efficiency policies. More information is available in the Library briefing paper on [Help with Energy Bills](#).

- In 1994, the first policy was the **Energy Efficiency Standards of Performance** (EESoP),⁸ which involved giving energy suppliers energy efficiency targets which had to be met by installing measures such as insulation and better appliances.
- In 2000, the **Warm Front** scheme⁹ was launched. The scheme involved supporting vulnerable households with energy efficiency measures but unlike EESoP it was funded by the Department of Energy and Climate Change (DECC) not by suppliers.
- After ending in 2002, EESoP was followed by the **Energy Efficiency Commitment** (EEC)¹⁰ that ran from 2002 to 2008 with the same basis as EESoP.
- In 2008 the **Carbon Emission Reduction Target** (CERT) scheme¹¹ was launched with a target for larger suppliers to reduce carbon emissions by 293 million tonnes over the lifetime of the measures.
- In 2009, CERT was followed by the smaller **Community Energy Saving Programme** (CESP)¹². This scheme had a specific focus on the fuel poor as projects were only allowed in specific low income areas of Britain. CESP also placed an obligation on electricity generators, not just energy suppliers.
- In 2011, the Coalition Government outlined plans for a **Green Deal** to replace the Warm Front, CERT and CESP, and improve energy efficiency.¹³ By November 2017, under the Green Deal, a total of 13,949 unique properties had Green Deal Plans in place. This figure includes both 'live' Green Deal Plans, where households are paying for installed measures through their energy bills, as well as 'new' and 'pending' Green Deal Plans, where

⁸ Ofgem and the Energy Saving Trust, [A review of the Energy Efficiency Standards of Performance](#), 1994-2002, July 2003

⁹ Ofgem, [Energy Efficiency Commitment Update](#), 11 Jan 2005

¹⁰ Ofgem, [Overview of previous schemes](#) (accessed 6 March 2018)

¹¹ Ofgem, [Overview of previous schemes](#) (accessed 6 March 2018)

¹² Ofgem, [Overview of previous schemes](#) (accessed 6 March 2018)

¹³ The Coalition: [Our Programme for Government, Energy and Climate Change](#), 20 May 2010

households have not yet completed installation and payments have not begun¹⁴.

- In 2010, the Coalition Government announced that it would include powers in the then forthcoming Energy Bill 2011 to introduce a new **Energy Company Obligation (ECO)** from 2012, to take over beyond CERT and CESP.¹⁵ CERT and CESP continued until December 2012. Unlike the Green Deal, ECO allowed households to make energy efficiency improvements without needing financial support as the installations were undertaken by energy suppliers and paid for by a levy on all consumer bills.
- On 2 December 2013, the Government announced a second phase for ECO (ECO 2) extending it from April 2015 until March 2017.¹⁶
- On 23 July 2015, the Government announced it would close the Green Deal due to low take-up and controversy surrounding standards of delivery.¹⁷ The Green Deal has since been re-launched privately.

1.4 Existing Government support for Energy Efficiency

The Energy Company Obligation (ECO)

ECO focuses on the poorest and most vulnerable households, and those living in 'hard to treat' homes.¹⁸ Large energy suppliers are required to install energy efficiency measures and the costs go to all bill payers through energy bills. In October 2017, the Clean Growth Strategy extended ECO at existing funding levels until 2028.¹⁹

The Energy Company Obligation now has two parts:

- Affordable Warmth: aimed at improvements to help low income and vulnerable households heat their homes better. The improvements are provided by energy companies and mainly consist of insulation and heating improvements such as new boilers. Eligibility is linked to certain benefits.
- Carbon Emissions Reduction Obligation: aimed at improving energy efficiency in hard to treat properties. It includes insulating solid walls and 'harder to treat' cavities as well as connections to district heating systems. Following the decision to end the Carbon Saving Communities Obligation, CERO now has a rural safeguard

¹⁴ DBEIS, Household Energy Efficiency National Statistics, February 2018. Table 3.2

¹⁵ DECC [Annual Energy Statement](#), 27 July 2010, p4 and HC Deb 23 November 2010 [c208W](#)

¹⁶ DECC, [The Future of the Energy Company Obligation. Government response to the 5 March 2014 consultation](#), July 2014

¹⁷ Gov.uk press release, [Green Deal Finance Company funding to end](#), 23 July 2015

¹⁸ DECC, [The Green Deal and Energy Company Obligation Consultation Document](#), 23 November 2011

DECC, [The Green Deal and Energy Company Obligation consultation government response](#), 11 June 2012

¹⁹ HM Government, [The Clean Growth Strategy. Leading the way to a low carbon future](#), October 2017

sub-obligation, requiring suppliers to deliver 15% of CERO in rural areas. The CERO is not linked to benefits but is instead available to all households in any housing tenure that can receive qualifying measures.

By December 2016, under the Energy Company Obligation (ECO), 712,000 cavity walls had been insulated, 447,000 homes had received loft insulation and over 464,000 households had a new boiler installed.²⁰

The Library Briefing Paper [The Energy Company Obligation](#) has further information on the scheme, including background and previous changes.

Energy efficiency in rented homes

An Energy Performance Certificate (EPC) is a rating of how energy efficient a property is. An EPC is a legal requirement when a property is bought, sold or rented. The certificates are graded on a scale of A (most efficient) to G (least efficient). Although there are currently no requirements for EPCs to be above a certain level when buying and selling houses, the Government have introduced [The Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015](#) which set new standards for energy efficiency in rented homes. The regulations mean:

- first, that as of 1 April 2016, a tenant of a domestic private rented property can make a request to their landlord for consent to make energy efficiency improvements and the landlord must not unreasonably refuse consent.
- second, as of 1 October 2016, domestic and non-domestic private rented property, must have a minimum level of energy performance certificate band E.
- third, that if the property is below the minimum energy efficiency requirements, a landlord of a domestic private rented property must not grant a new tenancy of the property after 1st April 2018, and must not continue to let the property after 1st April 2020, and a landlord of a non-domestic private rented property must not grant a new tenancy of the property after 1st April 2018, and must not continue to let the property after 1st April 2023.

There are also energy efficiency requirements for new buildings as part of Building Regulations. More information is available in the Government guidance on [Conservation of fuel and power: Approved document L](#) and in the Library briefing paper on [Zero Carbon Homes](#).

1.5 Reviews of Government Energy Efficiency policy

In March 2016, the then Energy and Climate Change Committee published a report on [Home energy efficiency and demand reduction](#). The Committee supported investing in energy efficiency but argued in

²⁰ DBEIS, Household Energy Efficiency National Statistics, Detailed Tables, March 2017, Table 4.3

the summary of the report that existing policies had proved “inadequate” and that the Government should do more:

The Government must do much more to reduce consumer energy bills by improving the energy efficiency of new and existing homes. Locally-led and area-based approaches have great potential. There are examples of good practice across the UK—including in Scotland—that should be drawn on. Zero carbon homes was a positive and ambitious policy, which could have saved future homeowners money on their energy bills. It should be reinstated. Alternatively, the Government should set out a similar policy that will ensure that new homes generate no net carbon emissions and are inexpensive to heat and light. The Department must also reinvigorate the ‘able-to-pay’ market. There is now no support to help households who wish to install energy efficiency measures but cannot meet the costs upfront. DECC should contemplate using the ‘pay-as-you-save’ mechanism, as well as the infrastructure behind the Green Deal Finance Company, when considering how to assist ‘able-to-pay’ households in the years ahead. DECC must also seriously look to drive demand by pressing ahead with developing incentives such as the introduction of stamp duty and council tax reductions for efficient homes. The impact of these ideas must be properly assessed and support mechanisms must be in place to protect vulnerable consumers.²¹

In their response to the Committee’s report, the Government said they were committed to the smart meter roll out and to reforming the Energy Company Obligation but that their view was that the policy framework needed to be less based on subsidy.²²

In April 2016, the National Audit Office (NAO) published a report on the [‘Green Deal and Energy Company Obligation’](#). This report found that the Green Deal did not provide value for money and the Energy Company Obligation increased consumer bills. It also found that the two schemes had saved less carbon dioxide than previous schemes though this is largely due to the ECO’s focus on harder to treat homes. Speaking about the report, Amyas Morse, Head of the NAO said:

Improving household energy efficiency is central to government achieving its aims of providing taxpayers with secure, affordable and sustainable energy. The Department of Energy and Climate Change’s ambitious aim to encourage households to pay for measures looked good on paper, as it would have reduced the financial burden of improvements on all energy consumers. But in practice, its Green Deal design not only failed to deliver any meaningful benefit, it increased suppliers’ costs – and therefore energy bills – in meeting their obligations through the ECO scheme. The Department now needs to be more realistic about consumers’ and suppliers’ motivations when designing schemes in future to ensure it achieves its aims.²³

On 13 October 2017, the National Infrastructure Commission (NIC) published a report on [‘Congestion, Capacity, Carbon – priorities for](#)

²¹ HoC Energy and Climate Change Committee, [Home energy efficiency and demand reduction](#), Fourth Report of Session 2015-16, 12 March 2016

²² HoC Energy and Climate Change Committee, [Home energy efficiency and demand reduction: Government Response to the Committee’s Fourth Report of Session 2015-16](#), Third Special Report of Session 2016-17, 11 July 2016

²³ National Audit Office, [Green Deal and Energy Company Obligation](#), 14 April 2016

[national infrastructure](#)'. This report said that progress on improving energy efficiency in UK housing has slowed:

The most important thing that the UK could be doing now to prepare for the transition to low carbon heating infrastructure is to upgrade its building stock. The UK has old and leaky buildings – both residential and commercial. This increases the amount of energy needed to regulate their temperature. Most of today's buildings will still be in use when a transition from natural gas needs to take place. It is therefore essential that the demand for energy from these buildings is reduced to help manage this transition.

But progress on improving the energy efficiency of the UK housing stock has slowed. Annual rates of cavity wall and loft insulation in 2013-15 were respectively 60% lower and 90% lower than annual rates in 2008-12. There are no plans on the part of the Government to reverse this trend.²⁴

NIC have said they will consider how an ambitious programme of energy efficiency improvements could rectify this. A publication is reportedly expected in April.²⁵

2. The Clean Growth Strategy

2.1 Meeting the fourth and fifth carbon budgets

The *Climate Change Act 2008* requires the Secretary of State to publish a report setting out an indicative annual range for the net UK carbon account for each year within a carbon budget; and a report setting out the Government's proposals and policies for meeting the carbon budgets for the current and future budgetary periods (sections 12 and 14 of the 2008 Act).

The Committee on Climate Change, (an independent, non-departmental public body that advises the Government on decarbonisation), recommend a level at which to set the carbon budgets, which are then approved by Parliament. The fourth carbon budget (2023-2027) was set at 1,950 MTCO₂e (a 51% reduction on 1990 levels) and was [approved by Parliament in 2011](#). The fifth carbon budget (2028-2032) was set at 1,725 MTCO₂e (a 57% reduction on 1990 levels) and was [approved by Parliament in July 2016](#). The [Clean Growth Strategy](#) was published on 12 October 2017.²⁶

In order to meet the fourth and fifth carbon budgets the Government stated that it needed to "drive a significant acceleration in the pace of decarbonisation" and set out domestic policies that "keep us on track to meet our carbon budgets".²⁷ The policies relevant to energy efficiency are set out in section 2.2 below.

²⁴ National Infrastructure Commission, [Congestion, capacity, carbon: priorities for national infrastructure](#), October 2017

²⁵ House of Commons, Backbench Business Committee, [Representations: Backbench Debates](#), 27 February 2018

²⁶ HM Government, [The Clean Growth Strategy](#), October 2017

²⁷ Gov.uk, [Clean Growth Strategy](#), 12 October 2017, p9

The Government went on to state that its approach is “pragmatic”. The Strategy states that current estimated projections suggest that 94% and 93% of the required budgets will be met respectively:

Our current estimated projection for the fourth and fifth carbon budget suggests that we could deliver 94 per cent and 93 per cent of our required performance against 1990 levels.²⁸

There are powers under section 17 of the *Climate Change Act 2008* to “borrow” or “bank” amounts from one budgetary period to another. This allows the government to increase the budget by borrowing up to 1% from the succeeding period, which is consequently reduced by the amount borrowed. Conversely, if it has a surplus in a budgetary period, it can carry all or some of it forward to the next period. These powers are subject to consulting with the other national authorities and subject to obtaining and taking account of the advice of the CCC.

The Strategy referenced these powers and stated that the Government is “prepared to use the flexibilities available to us to meet carbon budgets, subject to the requirements in the Climate Change Act, if this presents better value for UK taxpayers, businesses and domestic consumers”.²⁹ It goes on to say that it may not need to use this option and will make the decisions following consultation with the devolved Administrations and advice from the Committee on Climate Change.

More information and commentary is available in the Library briefing paper on the [UK Fifth Carbon Budget](#).

In January 2018, the Committee on Climate Change published their response to the Clean Growth Strategy. The Committee welcomed the Government’s “strong commitment to achieving the UK’s climate targets” but said policies, such as those relating to energy efficiency, needed to be firmed up and the remaining gaps in the carbon budgets must be closed:

Policies and proposals need to be firmed up. The Strategy includes some new policies to reduce emissions. In other areas – covering the majority of the emissions reductions in the Strategy – it sets out some ambitious new proposals, but policy to deliver those aspirations has not yet been worked up. Development of policy in these areas (e.g. upgrading as many homes as possible to Energy Performance Certificate Band C by 2035, improved standards of new buildings, phasing out the sale of new conventional petrol and diesel cars and vans by 2040) will need to progress urgently.

Gaps to meeting the fourth and fifth carbon budgets remain. These must be closed. Whilst the Strategy sets out a ‘2032 Pathway’ for sectoral emissions that would just meet the fifth carbon budget, there is no clear link to the policies, proposals and intentions that the Strategy presents. Our assessment of the policies and proposals set out in the Strategy indicates that, even if these deliver in full, there remain gaps of around 10-65 MtCO_{2e}

²⁸ Gov.uk, [Clean Growth Strategy](#), 12 October 2017, p.40

²⁹ HM Government, [The Clean Growth Strategy](#), October 2017, p.40

to meeting both the fourth and fifth carbon budgets on the basis of central projections.³⁰

2.2 Energy efficiency policies

In the Clean Growth Strategy, the Government stressed the opportunities of energy efficiency:

The UK energy efficiency sector already turns over £20.3 billion, employs 144,000 people and sells exports worth over £1 billion. We know the potential for further energy efficiency in businesses and industry is significant - up to £6 billion could be saved by 2030 through investment in cost-effective energy efficiency technologies in buildings and industrial processes. As well as reducing bills across the UK, building the energy efficiency market would place UK businesses and industry in a prime position to further increase the export of knowledge, skills and products to other countries. It would also involve greater flows of external finance, a sector where the UK is already a market leader. For example, the UK energy services market is estimated to have a potential annual size of €1 billion per year and would require significantly more third party finance than we see currently.³¹

Energy efficiency: Domestic/homes

The [Clean Growth Strategy](#) contained several commitments on energy efficiency both for homes and for business and industry.

On homes, the 'Key policies and Proposals in the Strategy' summary states:

11. Support around £3.6 billion of investment to upgrade around a million homes through the Energy Company Obligation (ECO), and extend support for home energy efficiency improvements until 2028 at the current level of ECO funding
12. We want all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and our aspiration is for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective and affordable
13. Develop a long-term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable
14. Consult on how social housing can meet similar standards over this period
15. Following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions, we intend to consult on strengthening energy performance standards for new and existing homes under Building Regulations, including futureproofing new homes for low carbon heating systems
16. Offer all households the opportunity to have a smart meter to help them save energy by the end of 2020

³⁰ Committee on Climate Change, [An independent assessment of the UK's Clean Growth Strategy. From ambition to action](#), January 2018

³¹ HM Government, [The Clean Growth Strategy](#), October 2017, p.65

Some of the policies that feature are part of existing programmes – for example the Smart Meter rollout and the ECO policy (though the extension to ECO was new).

Developments since the plan

Following the publication of the Clean Growth Strategy, [a debate on the strategy](#) was held.

Alongside the strategy, the Government launched a [Call for Evidence](#) on ‘Building a market for energy efficiency’. This closed in January 2018 and the Government are currently analysing the feedback.

The Government have indicated that the consultation on strengthening energy performance standards for new and existing homes under Building Regulations will follow report of the independent review of building and fire safety, the final report is expected to be submitted in spring 2018.³²

The Government have already implemented regulations on energy efficiency in rented homes (see section 1.3 above). On 24 October, Claire Perry, the Energy Minister in the Department for Business, Energy and Industrial Strategy, answered a parliamentary question on the long term trajectory for rented homes saying:

As set out in the Clean Growth Strategy, the Government will be looking at a long term trajectory for energy performance standards across the private rented sector, with the aim of as many private rented homes as possible being upgraded to EPC Band C by 2030, where practical, cost effective and affordable. We will consider options with a view to consulting in 2018.³³

Energy efficiency: business and industry

On Business and Industry efficiency, the ‘Key Policies and Proposals in the Strategy’ summary states:

2. Develop a package of measures to support businesses to improve their energy productivity, by at least 20 per cent by 2030, including by:
 1. Following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions, we intend to consult on improving the energy efficiency of new and existing commercial buildings
 2. Consulting on raising minimum standards of energy efficiency for rented commercial buildings
 3. Exploring how voluntary building standards can support improvements in the energy efficiency performance of business buildings, and how we can improve the provision of information and advice on energy efficiency to SMEs
 4. Simplifying the requirements for businesses to measure and report on energy use, to help them identify where they can cut bills

³² Gov.uk, [Independent Review of Building Regulations and Fire Safety: interim report](#), 18 December 2017

³³ [PO 106717](#) [Energy: Rented Housing] 9 October 2017

3. Establish an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and bills
4. Publish joint industrial decarbonisation and energy efficiency action plans with seven of the most energy intensive industrial sectors
5. Demonstrate international leadership in carbon capture usage and storage (CCUS), by collaborating with our global partners and investing up to £100 million in leading edge CCUS and industrial innovation to drive down costs
6. Work in partnership with industry, through a new CCUS Council, to put us on a path to meet our ambition of having the option of deploying CCUS at scale in the UK, and to maximise its industrial opportunity
7. Develop our strategic approach to greenhouse gas removal technologies, building on the Government's programme of research and development and addressing the barriers to their long term deployment
8. Phase out the installation of high carbon forms of fossil fuel heating in new and existing businesses off the gas grid during the 2020s, starting with new build
9. Support the recycling of heat produced in industrial processes, to reduce business energy bills and benefit local communities

Developments since the plan

Alongside the publication of the strategy, the Government published Industrial decarbonisation and energy efficiency action plans with several sectors.³⁴ Before the strategy, the Government launched an Industrial Energy Efficiency Accelerator; a £9.2 million programme managed by the carbon trust to support industrial companies that want to implement new energy efficiency technologies.³⁵

The Government have not yet published the next steps for the other proposals. The Gov.uk webpage on [Heat in Buildings](#) states "we are working with consumers and stakeholders to help develop these options".³⁶

The Government have indicated the consultation on strengthening energy performance standards for new and existing buildings under Building Regulations will follow the final report of the independent review of building and fire safety, which is due in spring 2018.³⁷

Further information on the Government's commitments in relation to CCUS can be found in the Library debate pack on [Carbon capture and storage](#), published in October 2017.

³⁴ Gov.uk, [Industrial decarbonisation and energy efficiency action plans](#), 12 October 2017

³⁵ Carbon Trust, [£9.2 million Industrial Energy Efficiency Accelerator opens for applications](#), 11 October 2017

³⁶ Gov.uk, [Heat in Buildings](#) (accessed 7 March 2018)

³⁷ Gov.uk, [Independent Review of Building Regulations and Fire Safety: interim report](#), 18 December 2017

3. Press Articles

The Guardian

With more efficient homes, the UK would never fear running short of gas

4 March 2018

<https://www.theguardian.com/business/2018/mar/04/energy-efficient-homes-uk-would-never-fear-running-out-of-gas>

The Guardian

Richest UK households 'should pay more to fund clean energy'

Government-funded researchers urge change in way clean energy is funded to reduce burden on poorest households

2 March 2018

<https://www.theguardian.com/environment/2018/mar/02/richest-uk-households-should-pay-more-to-fund-clean-energy>

BBC News Online

England sees funding fall for energy-efficient homes

28 February 2018

<http://www.bbc.co.uk/news/uk-43226918>

Utility Week

Energy UK warns BEIS efficiency rules do not go far enough

22 February 2018

<https://utilityweek.co.uk/energy-uk-warns-beis-efficiency-rules-not-go-far-enough/>

Business Green

Thousands of UK commercial landlords could be at risk from MEES energy efficiency rules - and they don't even know it

19 February 2018

<https://www.businessgreen.com/bg/analysis/3026837/thousands-of-uk-landlords-could-be-at-risk-from-meas-and-not-even-know-it>

Utility Week

'Ministers should rethink suppliers' role in energy efficiency'

13 February 2018

<https://utilityweek.co.uk/ministers-reconsider-role-suppliers-energy-efficiency-schemes/>

4. Press releases

Department for Business, Energy & Industrial Strategy

Government reaffirms commitment to lead the world in cost-effective clean growth

12 October 2017

The Clean Growth Strategy sets out an ambitious blueprint for Britain's low carbon future.

An ambitious strategy setting out how the UK is leading the world in cutting carbon emissions to combat climate change while driving economic growth, has been published today (12 October 2017) by Business and Energy Secretary Greg Clark.

[‘The Clean Growth Strategy: Leading the way to a low carbon future’](#) builds on the UK's strong progress to date. Carbon emissions in the UK have fallen and national income risen faster and further per person than any other nation in the G7 – since 1990, emissions are down by 42% while the economy has grown by 67%.

The government's strategy sets out how the whole country can benefit from low carbon economic opportunities through the creation of new technologies and new businesses, which creates jobs and prosperity across the UK, while meeting our ambitious national targets to tackle climate change.

Business and Energy Secretary Greg Clark said:

This government has put clean growth at the heart of its Industrial Strategy to increase productivity, boost people's earning power and ensure Britain continues to lead the world in efforts to tackle climate change.

For the first time in a generation, the British government is leading the way on taking decisions on new nuclear, rolling out smart meters and investing in low carbon innovation. The world is moving from being powered by polluting fossil fuels to clean energy. It's as big a change as the move from the age of steam to the age of oil and Britain is showing the way.

Climate Change and Industry Minister Claire Perry said:

The impact of the Paris agreement and the unstoppable global shift towards low carbon technologies gives the UK an unparalleled opportunity.

By focusing on Clean Growth, we can cut the cost of energy, drive economic prosperity, create high value jobs and improve our quality of life.

Every action that the government takes to cut emissions must be done while ensuring our economy remains competitive. The government's actions to reduce carbon emissions, through support for renewable energy and energy efficiency measures, have helped to reduce average consumer energy bills and more than offset the cost of government support for low carbon technologies, and the costs of key technologies such as offshore wind is plummeting.

For the first time the government is setting out in today's Strategy how over £2.5 billion will be invested to support low carbon innovation from 2015 to 2021, as part of the largest increase in public spending on science, research and innovation in over three decades. This funding covers programmes delivering low carbon energy, transport, agriculture and waste.

That £2.5 billion of existing government spending includes up to £505 million from the Department for Business, Energy and Industrial Strategy's Energy Innovation Programme, which aims to accelerate the commercialisation of innovative clean energy technologies and processes.

There are already more than 430,000 jobs in low carbon businesses and their supply chains. Today's policies will provide further opportunities right across the country for more jobs, higher earning power and increased productivity. The low carbon economy could grow 11% per year between 2015 and 2030 – faster than the rest of the economy.

Juergen Maier, CEO Siemens plc, said:

Clean growth is good growth and the UK has a great opportunity to lead. Siemens welcomes the launch of the government's Clean Growth Strategy which sets a clear direction for business and puts decarbonisation at the heart of the industrial strategy.

The government recently announced the establishment of a taskforce of senior financial experts to accelerate growth of green finance in the UK's low carbon economy. It has been given 6 months to deliver ambitious proposals to accelerate investment in the transition to a low carbon economy, creating high-value jobs and opportunities for UK businesses. It will examine a range of interventions, from making infrastructure investment more sustainable to scaling-up green mortgages.

Today's Strategy fulfils the government's ongoing commitment to demonstrate how it will continue to deliver carbon reductions. The UK was the first country in the world to introduce a Climate Change Act that sets a legally binding long-term target and a series of five-year caps on greenhouse gas emissions up to 2050. The government is focused on hitting the fifth carbon budget (2028 to 2032) with the package of measures outlined today.

Shaun Spiers, Executive director of Green Alliance said:

It is great to see this long awaited strategy setting out the government's ambitions for clean growth. It is certainly a welcome move in the right direction. The test now will be to embed the strategy across government and encourage investment in clean growth by giving businesses the certainty they need.

Going green is not only good for the environment: it is crucial for the future of the UK economy. By taking decisive action to reduce carbon emissions at home we can take advantage of the growing global market for low carbon technology and expertise. This strategy is the opportunity to reboot the agenda on energy efficiency, clean vehicles and the efficient use of resources in the UK.

UK progress was confirmed in a report by PwC which demonstrated the country is strongly outperforming its peers within the G20 according to PwC's Low Carbon Economy Index (LCEI). Its analysis published last month shows the UK decarbonising faster than any other G20 nation. It also reveals

that in 2016, the UK achieved a decarbonisation rate of 7.7% - almost three times the global average.

Jonathan Grant, PwC sustainability director and Low Carbon Economy Index author, said:

Analysis by PwC shows that the UK leads the G20 on clean growth and is decoupling emissions from economic growth significantly faster than its peers. The UK's success comes down to policies that create a positive investment climate for low carbon technology, the drive to tackle emissions from coal and the strength of our services sectors.

The Clean Growth Strategy should continue the UK's transition to a low carbon economy.

The Strategy

Measures set out in the Strategy include funding through the BEIS Energy Innovation Programme of:

- up to £10 million for innovations that provide low carbon heat in domestic and commercial buildings
- up to £10 million for innovations that improve the energy efficiency of existing buildings
- an extra £14 million for the Energy Entrepreneurs Fund, including a new sixth fund
- up to £20 million in a Carbon Capture and Utilisation demonstration programme
- up to £20 million to demonstrate the viability of switching to low carbon fuels for industry
- up to £20 million to support clean technology early stage funding

Further measures include commitments to:

Business and industry efficiency

- develop a package of measures to support businesses to improve their energy productivity, by at least 20% by 2030
- establish an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and their bills
- demonstrate international leadership in carbon capture usage and storage (CCUS), by collaborating with our global partners and investing up to £100 million in leading edge CCUS and industrial innovation to drive down costs

Improving our homes

- support around £3.6 billion of investment to upgrade around a million homes through the Energy Company Obligation (ECO), and extend support for home energy efficiency improvements from 2022 to 2028 at least at the current level of ECO funding
- we want all fuel poor homes to be upgraded to Energy Performance Certificate Band C by 2030 and our aspiration is

for as many homes as possible to be Energy Performance Certificate Band C by 2035 where practical, cost effective and affordable

- develop a long term trajectory to improve the energy performance standards of privately-rented homes, with the aim of upgrading as many private rented homes as possible to Energy Performance Certificate Band C by 2030 where practical, cost effective and affordable

Low carbon transport

- the government has announced an end to the sale of all new conventional petrol and diesel cars and vans by 2040
- spend £1 billion supporting the take-up of ultra low emission vehicles, including helping consumers to overcome the upfront cost of an electric car
- develop one of the best electric vehicle charging networks in the world
- work with industry as they develop an Automotive Sector Deal to accelerate the transition to zero emission vehicles
- invest around £841 million of public funds in innovation in low carbon transport technology and fuels

Transport Minister Jesse Norman said:

The Clean Growth Strategy reinforces our clear commitment to reduce emissions across the UK and to end the sale of all new conventional petrol and diesel cars and vans by 2040.

We are a world leader in ultra-low emission technology, spending £1 billion to support the uptake of these cleaner vehicles and the creation of one of the best charging networks in the world.

Advances in low carbon transport technology can significantly boost economic growth and air quality, and we will continue to work with companies to maximise these benefits for all.

Clean, affordable energy

- phase out the use of unabated coal to produce electricity by 2025
- provide up to half a billion pounds for further Contract for Difference auctions for less established technologies, such as offshore wind, with the next one planned for spring 2019
- work with industry as they develop an ambitious Sector Deal for offshore wind, which could result in 10 gigawatts of new capacity, with the opportunity for additional deployment if this is cost effective, built in the 2020s
- deliver new nuclear power through Hinkley Point C and progress discussions with developers to secure a competitive price for future projects in the pipeline

Agriculture and natural resources

- as we leave the EU, design a new system of future agricultural support to focus on delivering better environmental outcomes, including addressing climate change more directly
- establish a new network of forests in England including new woodland on farmland, and fund larger-scale woodland and forest creation, in support of our commitment to plant 11 million trees, and increase the amount of UK timber used in construction
- work towards our ambition for zero avoidable waste by 2050, maximising the value we extract from our resources, and minimising the negative environmental and carbon impacts associated with their extraction, use and disposal
- publish a new Resources and Waste Strategy to make the UK a world leader in terms of competitiveness, resource productivity and resource efficiency

Environment Secretary Michael Gove said:

We are determined to be the first generation to leave the environment in a better state than we inherited it, and achieving clean growth is an integral part of our work to deliver a Green Brexit.

Through our ambitious plans to tackle waste, better manage our precious natural resources and create a more environmentally-focused agricultural system, this government is taking the lead in creating a cleaner, greener Britain.

Government leadership

government will work with businesses and civil society to introduce a 'Green Great Britain' week to promote clean growth.

Energy Saving Trust

Clean Growth Strategy

12 October, 2017

Today has seen the publication of [The Clean Growth Strategy](#).

While the strategy states that we will – by 2032 - be somewhat off track from achieving our national climate change target, it's still a document that's been broadly welcomed by environmentalists. That's because it fills a significant policy vacuum for government action on climate change.

Nowhere has there been more of a policy gap in recent years than in [home energy efficiency](#). It's good that the Strategy suggests lower-carbon, better [insulated homes](#) are firmly back on the Government's radar. Most notably the government announces an aspiration for all homes to meet an [Energy Performance Certificate](#) C, reasonable energy efficiency, standard "where practical, cost-effective and affordable".

The aspiration is that rented homes are to meet this standard by 2030 and owner-occupied homes by 2035.

But aspiration is the word: there's a notable lack of detail on what policies will deliver against the new standards. And one of the worries about the new Strategy is those words, "cost-effective" and "practicable." Often, the homes that are least cost-effective to improve are often the most dangerously cold and highest carbon. Investing in these homes delivers major benefits to communities, cities and at national level – for example, savings in healthcare costs as we reduce the incidence of cold related illness. It's vital that that impact assessments for new energy efficiency policies recognise the [full benefits of energy efficiency across our economy](#) – and perhaps that government stops hiding behind the language of "cost effective" in its commitments in this area.

Looking at specific policies, the Energy Saving Trust has called for The Clean Growth Strategy to announce three things:

1. [Financial incentives to encourage all home owners to take action on energy efficiency.](#)

We're therefore pleased that the Strategy announces a call for evidence in this area and a new plan in 2018. We'll be highlighting the incentives for energy efficiency and renewable energy that are available in Scotland – where home owners can borrow up to £32,000 interest free to improve their homes. We urgently need similar incentives in England.

2. ["2050-ready" newbuild homes.](#)

The Strategy announces plans for a consultation for tightened energy standards in building regulations. But it also says that decisions in this area will be linked to the review of the Grenfell Tower Disaster. Our view is that the linkaged with the Grenfell process – vital as that is – must not end up delaying action on energy standards in building regulation.

3. [A doubling of funding for fuel poor homes.](#)

The government has a Fuel Poverty Strategy that all fuel poor households should be an EPC "C" standard by 2030 – and there's now the new aspiration that rented homes, where many low-income households live, should also meet this standard. But analysis produced several months ago showed that funding needs to be doubled to hit the fuel poverty target. The Clean Growth Strategy announces an extension to 2028 of the main funding programme – the [Energy Company Obligation \(ECO\)](#). But there's no getting away from the fact that helping the people who are most struggling with their fuel bills will involve additional year-on-year expenditure.

Energy Saving Trust's Chief Executive, Philip Sellwood, comments following the publication of The Clean Growth Strategy.

We welcome The Clean Growth Strategy and the firm commitment by Government to make domestic energy efficiency a priority. Aspirations for all homes to meet a reasonable energy efficiency standard – rented homes by 2030 and owner occupied

homes by 2035 - are very welcome: details on the policies that will enable us to meet these ambitions are now an urgent priority.

At the Energy Saving Trust, we have called for new financial incentives to help all households invest in home energy efficiency – we're pleased the Strategy announces a call for evidence on this issue. We're also looking for urgent action on new build homes to ensure these are always built to a zero carbon standard. Again, The Clean Growth Strategy announces plans for consultation, which is good news, but must be followed by rapid action. And we are looking for more funding to improve the homes of people in fuel poverty – our view is that this remains a big policy gap

UK Green Building Council

UKGBC RESPONDS TO THE GOVERNMENT'S CLEAN GROWTH STRATEGY

12 October 2017

Today's Clean Growth Strategy is a very positive signal that the Government understand the significant opportunities for the UK that moving to a low carbon economy can bring. They have listened to the industry by providing a clearer longer-term trajectory for improving the energy efficiency standards of existing homes, and adopted our own aspiration for upgrading as many of these as possible to EPC Band C by 2035.

We also strongly welcome the intentions to raise energy standards for commercial buildings and all new developments, and we support the creation of green mortgages.

What businesses need to see now is the Government living up to this rhetoric with strong policies which turn the aspirations into reality. We hope this Strategy represents a step-change in ambition in tackling climate change and our members stand ready to work closely with government to deliver on its promises and build a low carbon economy.

WWF UK

WIN FOR HOME ENERGY EFFICIENCY IN THE CLEAN GROWTH STRATEGY

12 OCTOBER 2017

The plan is a mixed bag, but it does have most of the policies we asked for.

On Thursday 12 October the UK Government published their Clean Growth Strategy. We've been waiting for this, the master plan to decarbonise the UK economy, for almost a year.

While we have mixed feelings about it overall, we do have reason to celebrate! After campaigning to get three important policies into the plan, we've hit two out of three of them:

- A target to bring **all** homes in England and Wales to an Energy Performance Certificate (EPC) 'C' rating by 2035.
- Amending the minimum energy standards for rented homes.

The Government has stepped up, setting the right ambition on home energy efficiency with a new 2035 target for all homes. Minimum energy efficiency standards for rented homes and offices will also be tightened; from 2018, landlords will be prevented from renting out the least energy efficient properties. And these standards will be tightened over time to drive up energy performance of these buildings.

Right now our homes [waste too much energy](#), and money. They contribute 20% of total UK carbon emissions. There is vast room for improvement here and we welcome these targets to begin addressing something that has stood out as a glaring omission in energy policy for too long.

Thank you so much to all of our supporters who wrote to their MPs to help bring about this change. We couldn't do our work without you!

What is **not** in the plan is a vision to ensure that all new homes are ultra-low emissions from 2020.

As for the rest of the Strategy: We finally have an idea of the ambition this government has for climate action. That ambition is good – but we still need a lot more detail than what is in the plan to believe that the government is [taking climate change seriously](#).

We have to decrease emissions by 80% from 1990 levels to have any hope of hitting our Climate Change Act targets – never mind our Paris Agreement commitments. The plan doesn't go far enough.

Notable omissions include:

- Missed targets for the 4th and 5th carbon budgets, by a significant margin.
- Failure to set out what level of energy efficiency in the business sector the ambitions laid out in the plan will deliver.
- Yet another delay in details of how a new energy efficiency scheme – using carbon taxes and carbon reporting – will help large companies install measures to cut their energy use and bills.
- Lacking new announcements on how the Government will reduce emissions in the transport sector.
- No details on EV roll-out – which has been deferred to an electric vehicle strategy to be published next year.
- No decision on the on Hendry review and Swansea Bay tidal lagoon.
- An energy price cap that is a short term distraction. UK Government support over the last decade has shown that the growth of renewables and deployment of energy efficiency

measures have been far more effective at reducing energy bills than this sort of market intervention.

For the good, the bad and the ugly of the plan, [read our summary](#). And if you're as into policy documents as we are, you can [read the full plan here](#).

Carbon Trust

Carbon Trust response to the UK Government Clean Growth Strategy

12 October 2017

The Carbon Trust welcomes a low carbon strategy that puts business and innovation at the heart of clean growth.

Speaking at the Launch of the [Clean Growth Strategy](#) James Wilde, Director of Innovation, The Carbon Trust said:

The Carbon Trust welcomes a low carbon strategy that puts business and innovation at the heart of clean growth. Offshore wind and energy efficiency are two critical immediate pillars for this approach and the great strides that have been made in recent years need to be accelerated. The Offshore Wind Accelerator is a case study of how collaboration between the private sector and government can work successfully, bring down costs and accelerate clean growth. We now need to drive this approach elsewhere to maximise the economic benefits clean growth and decentralised energy systems will bring to businesses that focus on the increasing low carbon opportunities.

Energy UK

Energy UK comments on Clean Growth Strategy

12 October 2017.

Commenting in response to the launch of the Clean Growth Strategy, Lawrence Slade, Energy UK's chief executive said:

We are pleased that the Clean Growth Strategy recognises the huge progress made in decarbonisation and shares the ambitions of the industry to go further and faster to create a world-leading clean, green economy.

It is positive to see the ambitious targets to improve the energy efficiency in our homes and businesses. How this will be funded is critical and we will work with Government to shape a national energy efficiency programme that will help reduce energy bills and ensure we meet the targets set out today.

We must now work in partnership to deliver this strategy. We await further details on many of these areas, including the decarbonisation of heat, and commit to working together to deliver these transformative changes which will reduce emissions, boost the economy and keep bills down for consumers.

Association for the Conservation of Energy

ACE's initial response to the Clean Growth Strategy

13 October 2017

Dr Joanne Wade, CEO of the Association for the Conservation of Energy (ACE) welcomes the aims, targets and aspirations outlined within the Clean Growth Strategy. There is recognition of the value of energy efficiency at very core of the strategy and a commitment to further developing policies, and we see the strategy as a clear step in the right direction.

The scale of the opportunity of energy efficiency in buildings is huge. ACE research shows that the net present value of energy efficiency to the UK is at least £45 billion in energy efficiency savings[1]. The UK's building stock is in dire need of urgent action. Therefore, we welcome the government's intervention to stimulate energy efficiency markets in both the domestic and non-domestic sectors – to deliver the scale and pace of change that is required to meet current and future carbon budgets. However, there is a lot of work still to be done to drive energy efficiency in the UK and to develop a low carbon economy that works for everyone.

We welcome the government's proposals surrounding the energy performance of domestic buildings, especially the proposal to further consult on the Minimum Energy Efficiency Standards (MEES) regulations, an enhanced trajectory for the regulations – taking homes in the private rented sector to band C by 2030 – and a commitment to looking at replicating the target in the social housing sector.

We are also pleased that the Energy Company Obligation (ECO) will be extended to 2028, providing longer term certainty for the energy efficiency industry. While it is right that ECO will focus on eradicating fuel poverty, ACE questions whether the investment needed in this area needs to be higher.

The Government have demonstrated leadership in enacting a target to reduce carbon emissions from the public sector, however we are disappointed that the target is voluntary rather than mandatory. We welcome the call for evidence consultation to further develop policies and programmes.

The team at ACE are taking the time over the coming days to analyse the Clean Growth Strategy and supporting documents to identify where there are still gaps in the market, and will then begin to develop the evidence base that the government have called for, thus ensuring that the voice of the energy efficiency industry is heard.

[1] £26 billion for homes, and £20 billion for business, [ACE & RAP \(2016\)](#) Buildings and the 5th Carbon Budget.

5. Parliamentary material

Statement

Statement: [Clean Growth Strategy](#)

HC Deb 12 October 2017 | Vol 629 cc484-

PQs

[Housing: Energy](#)

Asked by: Lucas, Caroline

To ask the Secretary of State for the Department for Business, Energy and Industrial Strategy, with reference to the Clean Growth Strategy, published in October 2017, what estimate his Department has made of the amount of investment required each year to meet the target for as many homes as possible to be brought up to EPC Band C by 2035.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Department of Business, Energy and Industrial Strategy has not made an official estimate of the amount of investment required each year to meet the target for as many homes as possible to be brought up to EPC Band C by 2035. The amount of investment will depend on the measures installed to achieve this energy efficiency level, which will also depend on the policies to encourage their uptake, and the impact of innovation investment on driving down cost and bringing forward new technologies.

The Department is currently undertaking this analysis and will publish these estimates in due course. The forthcoming call for evidence on EPCs will be a valuable addition to the evidence of how we can reach this target.

HC Deb 01 February 2018 | PQ 124669

[Fuel Poverty](#)

Asked by: Lord Kennedy of Southwark

To ask Her Majesty's Government what action they are taking to eliminate fuel poverty.

Answering member: Lord Henley | Department: Department for Business, Energy and Industrial Strategy

The Energy Company Obligation (ECO) requires energy companies to fund household energy efficiency improvements each year. 70% of ECO is now focussed on improving the energy efficiency of low income and

vulnerable households and we intend to consult on moving that to 100% for the next Obligation period. Combined with energy bill rebates provided under the Government's Warm Home Discount scheme, this is at least £770 million of support to low income and vulnerable households in 2017/18.

In the Clean Growth Strategy, the Government committed to extend support for home energy efficiency out to 2028 at least as the current levels of ECO funding (£640m per annum), and review the best form of support beyond 2022, recognising the need both to save carbon and to meet the Government's commitment to upgrade all fuel poor homes to Band C by 2030.

In addition, Government has legislated so that from April 2018 all landlords of the worst performing privately rented properties must meet a minimum standard of Energy Performance Certificate Band E, before properties can be let. In the longer term, Government has committed to looking at raising energy performance standards across the private rented sector further, with a view for as many properties to reach Band C by 2030.

HC Deb 22 December 2017 | PQ HL4210

[Energy: Buildings](#)

Asked by: Sobel, Alex

To ask the Secretary of State for Business, Energy and Industrial Strategy, what plans he has to learn lessons from the devolved Administrations on improving the energy-efficiency of buildings.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

In developing our approach to improving the energy efficiency of buildings, the UK Government takes into account evidence and examples of good practice both from the Devolved Administrations and internationally. We will continue to work closely with the Devolved Administrations as we implement the commitments for improving the energy efficiency of buildings set out in the Clean Growth Strategy.

HC Deb 19 December 2017 | PQ 119578

[Greenhouse Gas Emissions](#)

Asked by: Sobel, Alex

To ask the Secretary of State for Business, Energy and Industrial Strategy, what estimate he has made of the additional cost of meeting emissions reduction targets without the widespread roll-out of energy efficiency measures for buildings.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Clean Growth Strategy, published earlier this year, set out that we will likely need to decarbonise nearly all heat in buildings and most industrial processes in order to meet the 2050 emissions reduction goal set by the Climate Change Act 2008. The Clean Growth Strategy made clear that there are a number of different scenarios for meeting our 2050 goal and at present, it is not clear which approach will work best at scale and offer the most cost-effective, long term answer. Under all scenarios we will need to improve the energy efficiency of homes and non-domestic buildings, therefore the Clean Growth Strategy outlined a number of policies for achieving this, including:

- Investing around £3.6 billion to upgrade around a million homes through the Energy Company Obligation (ECO). In addition, we will extend support for home energy efficiency beyond the current commitment to fund ECO to 2022 and out to 2028 with funding at least at current ECO levels
- Developing a long term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable, and consulting on equivalent standards for social housing over this period.
- Following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions, consulting on strengthening energy performance standards for new and existing homes under Building Regulations, including futureproofing new homes for low carbon heating systems,
- Seeking evidence on building a market for energy efficiency, including additional measures to improve energy performance of owner occupied homes through a Call for Evidence published alongside the Clean Growth Strategy.
- Developing a package of measures to support businesses to improve how productively they use energy, with the aim of improving energy efficiency by at least 20 per cent by 2030, including by consulting on raising minimum standards of energy efficiency for rented commercial buildings.

HC Deb 19 December 2017 | PQ 119575

[Energy: Housing](#)

Asked by: Sobel, Alex

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps the Government is taking to increase the roll-out of energy efficiency measures for non-fuel poor households.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Clean Growth Strategy, published in October this year, set out the Government's aspiration that as many homes as possible will be upgraded to an Energy Performance Certificate (EPC) Band C by 2035, where practical, cost-effective and affordable. The Strategy outlined a

number of policies and proposals that will help us make progress against this aspiration and will increase the roll-out of energy efficiency measures for non-fuel poor households, including

- Developing a long term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable. We will consider options with a view to consulting on this in 2018 and looking at how social housing can meet equivalent standards over the same period.
- Consulting on strengthening energy performance standards for new and existing homes under Building Regulations, including futureproofing new homes for low carbon heating systems, following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions.
- Seeking evidence on building a market for energy efficiency, including additional measures to improve energy performance of owner occupied homes through a Call for Evidence published alongside the Clean Growth Strategy. This Call for Evidence is currently open and closes on 9 January 2018. Following an evaluation of the responses, we will publish an action plan on additional market based measures.

HC Deb 19 December 2017 | PQ 119573

[Heating: Greenhouse Gas Emissions](#)

Asked by: Sobel, Alex

To ask the Secretary of State for Business, Energy and Industrial Strategy, how the Government plans to communicate with the public the potential changes required to reduce emissions associated with heating buildings in line with the UK's emissions reduction targets.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Clean Growth Strategy, published in October 2017, has a very clear focus on the challenges and opportunities involved in decarbonising heat in buildings. This included announcing:

- Improving standards of the 1.2 million new boilers installed every year in England and requiring control devices to help people save energy;
- Phasing out the installation of high carbon fossil fuel heating in new and existing buildings during the 2020s, starting with new build properties; and
- Government's intention to consult on:
 - Improving the energy efficiency of new and existing buildings (subject to the conclusions of the independent review of Building Regulations and fire safety);

- Raising minimum standards of energy efficiency for rented commercial buildings;
- Exploration of voluntary building standards and how these might support improvements in the energy efficiency performance of business buildings.

The Department will set out more detail during 2018, engaging with industry representatives, consumer groups and other stakeholders to ensure a broad cross section of viewpoints are taken into account when formulating policies in these areas.

HC Deb 19 December 2017 | PQ 119572

[Energy: Housing](#)

Asked by: McMorris, Anna

To ask the Secretary of State for Business, Energy and Industrial Strategy, whether his Department plans to produce and implement a revenue neutral plan to bring the domestic sector housing stock up to Energy Performance Certificate Band C by 2035.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Clean Growth Strategy (the Strategy), published in October this year, sets out Government's aspiration that as many homes as possible will be upgraded to an Energy Performance Certificate (EPC) band C by 2035, where practical, cost-effective and affordable. The Strategy set out a number of policies and proposals that will help us make progress against this aspiration, including:

- Developing a long term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable. We will consider options by consulting on this in 2018 and looking at how social housing can meet equivalent standards over the same period.
- Investing around £3.6 billion to upgrade around a million homes through the Energy Company Obligation (ECO). In addition, we will extend support for home energy efficiency beyond the current commitment to fund ECO to 2022 and out to 2028 with funding, at least at current ECO levels.
- Consulting on strengthening energy performance standards for new and existing homes under Building Regulations, including futureproofing new homes for low carbon heating systems, following the outcome of the independent review of Building Regulations and fire safety, and subject to its conclusions.
- Seeking evidence on building a market for energy efficiency, including additional measures to improve energy performance of owner occupied homes through a Call for Evidence published alongside the Clean Growth Strategy.

This Call for Evidence is currently open and closes on 9 January 2018. Following an evaluation of the responses, we will publish an action plan on additional market based measures later in 2018.

In the Call for Evidence on building a market for energy efficiency, we made clear that the government would adopt policies that help to meet our commitments at the lowest possible net cost to UK taxpayers, consumer and businesses; and which maximise the social and economic benefits for the UK from this transition.

HC Deb 19 December 2017 | PQ 118769

[Energy: Housing](#)

Asked by: McMorris, Anna

To ask the Secretary of State for Business, Energy and Industrial Strategy, what plans he has to bring all properties occupied by fuel-poor households up to Energy Performance Certificate band C by 2030.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Energy Company Obligation (ECO) requires energy companies to fund household energy efficiency improvements each year. 70% of ECO is now focussed on improving the energy efficiency of low income and vulnerable and we intend to consult on moving that to 100% for the next Obligation period. Combined with energy bill rebates provided under the Government's Warm Home Discount scheme, this is at least £770 million of support to low income and vulnerable households in 2017/18.

In the Clean Growth Strategy, the Government committed to extend support for home energy efficiency out to 2028 at least as the current levels of ECO funding (£640m per annum), and review the best form of support beyond 2022, recognising the need both to save carbon and to meet the Government's commitment to upgrade all fuel poor homes to EPC Band C by 2030.

In addition, Government has legislated so that from April 2018 all landlords of the worst performing privately rented properties must meet a minimum standard of Energy Performance Certificate Band E, before properties can be let. In the longer term, Government has committed to looking at raising energy performance standards across the private rented sector further, with a view for as many properties to reach Energy Performance Certificate Band C by 2030.

HC Deb 18 December 2017 | PQ 118771

[Private Rented Housing: Energy](#)**Asked by: Lucas, Caroline**

To ask the Secretary of State for Business, Energy and Industrial Strategy, with reference to paragraph two of page 77 of the Clean Growth Strategy, when the consultation on making the private rented sector energy efficiency regulations more effective will open.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

As set out in the Clean Growth Strategy, the Government intends to consult shortly on options to strengthen the domestic private rented sector minimum energy efficiency standard regulations.

HC Deb 20 November 2017 | PQ 112892

[Housing: Energy](#)**Asked by: Johnson, Diana**

To ask the Secretary of State for Communities and Local Government, with reference to the consultation on Fixing Our Broken Housing Market, published in February 2017, what progress has been made in reviewing home energy efficiency standards; and what plans there are for new standards to (a) require all homes to have an energy performance certificate, (b) improve energy efficiency standards for private rented homes and (c) ensure that all new homes from 2020 are low emission homes.

Answering member: Alok Sharma | Department: Department for Communities and Local Government

As set out in our paper *Fixing Our Broken Housing Market*, we have started work on a review of the cost effectiveness of current energy performance standards in the Building Regulations. However, following the devastating events at Grenfell Tower on 14 June, the Government has commissioned an Independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt. The independent review will report in Spring 2018. Any future changes to Building Regulations – including those to energy performance standards – will need to be considered following the outcome of the independent review, and subject to its conclusions.

Energy performance certificates (EPCs) are already required whenever a home is built, sold or rented. Since 2008, 16,889,000 EPCs covering domestic properties (including new properties) in England and Wales have been lodged on the EPC register. The latest quarterly statistics on EPCs for England and Wales were published on 31 October 2017 and can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655789/EPB_Statistics_Release_-_Qtr_3_2017_final.pdf

For privately rented homes, we have legislated so that from April 2018, landlords of the worst performing properties will need to improve those

properties to a minimum of EPC Band E before they can be let, lowering bills for some of the most vulnerable private tenants while ensuring costs of improvements are reasonable and affordable. As stated in the Government's *Clean Growth Strategy* published on 12 October 2017 we will consult shortly on steps to make these regulations more effective. The Government will also look at a long term trajectory for energy performance standards across the private rented sector, with the aim of as many private rented homes as possible being upgraded to EPC Band C by 2030, where practical, cost-effective and affordable.

Homes built to the latest building regulations requirements are already very energy efficient. Since 2010, we have increased the energy standard for new homes by over 30 per cent, reducing energy bills by £200 on average and saving carbon. However, as set out in the Clean Growth Strategy, subject to the conclusions of the independent review of Building Regulations and fire safety, we will consult on further improving energy requirements for new homes where this is cost-effective and affordable to do so.

HC Deb 06 November 2017 | PQ 110194

[Energy: Housing](#)

Asked by: McCabe, Steve

To ask the Secretary of State for Business, Energy and Industrial Strategy, what plans he has to fund the actions required to meet the (a) 2035 all homes target, (b) 2030 private rented sector target and (c) 2030 social housing target, as set out in the Clean Growth Strategy.

Answering member: Claire Perry | Department: Department for Business, Energy and Industrial Strategy

The Clean Growth Strategy, and publications alongside that document, set out details on how domestic energy performance improvements could be financed from a range of both private and public sources.

In the Strategy, the Government committed to extend support for home energy efficiency out to 2028 at least as the current levels of ECO funding (£640m per annum), and review the best form of support beyond 2022 recognising the need to both save carbon and meet the Government's commitment to upgrade all fuel poor homes to EPC Band C by 2030. Government will be considering a range of further options for tackling fuel poverty and the proposals on home energy efficiency standards in the Strategy will be relevant,

In addition, the Government has regulated to require that all residential lettings from April 2018 must meet a minimum standard of Energy Performance Certificate Band E, and committed to consult on raising standards in future, with a view to reaching Band C by 2030.

Following the sale of the Green Deal Finance Company, the Government has published a call for evidence on how to reform and streamline the Green Deal framework to make the "Pay as You Save" system more accessible to businesses, while ensuring adequate

protection for consumers. The Government has also announced the creation of a Green Finance Taskforce to provide recommendations on delivery of the public and private investment we need to meet the ambitions set out in the Clean Growth Strategy

Targeted financial incentives and price signals could play a role in encouraging action by home owners. The Government has published a call for evidence on additional measures to encourage energy performance improvements, focussed particularly on home owners. This seeks views on a range of ideas (e.g. low interest loans, equity loans, conditional mortgages) put forward by stakeholders to encourage action. We will publish a response to this evidence and ideas in 2018, laying out a plan of action.

The Government is also working with mortgage lenders to incorporate energy efficiency into their lending decisions, alongside developing innovative “green mortgage” products.

HC Deb 24 October 2017 | PQ 108862

6. Useful links and further reading

The Clean Growth Strategy 12 October 2017

<https://www.gov.uk/government/publications/clean-growth-strategy>

National Audit Office *Low carbon heating of homes and businesses and the Renewable Heat Incentive* 23 February 2018

<https://www.nao.org.uk/report/low-carbon-heating-of-homes-and-businesses-and-the-renewable-heat-incentive/>

UK Energy Research Centre *A Transformation to Sustainable Heating in the UK: risks and opportunities* 21 February 2018

<http://www.ukerc.ac.uk/publications/sustainable-heating-in-the-uk-risks-and-opportunities.html>

The Committee on Climate Change *An independent assessment of the UK's Clean Growth Strategy: From ambition to action* 17 January 2018

<https://www.theccc.org.uk/publication/independent-assessment-uks-clean-growth-strategy-ambition-action/>

Domestic Private Rented Sector minimum level of energy efficiency
Published 19 December 2017

<https://www.gov.uk/government/consultations/domestic-private-rented-sector-minimum-level-of-energy-efficiency>

Department for Business, Energy & Industrial Strategy consultation
Building a market for energy efficiency: call for evidence Published 12 October 2017, closed 9 January 2017

<https://www.gov.uk/government/consultations/building-a-market-for-energy-efficiency-call-for-evidence>

House of Commons Business, Energy and Industrial Strategy current inquiry: *The Clean Growth Strategy*

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/business-energy-industrial-strategy/inquiries/parliament-2017/clean-growth-strategy-17-19/>

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