December 7th 2021

Re: Training, Trust and Tariffs – Electrify Heat's priorities to boost the heat pump market

Dear Prime Minister,

We are writing as the *Electrify Heat* campaign – representing 18 leading energy suppliers, heat pump manufacturers, installers, consumer interest groups, distribution network operators, green finance organisations and trade bodies – to welcome the direction of travel Government has set for a heat pump mass market this decade, and set out priority recommendations to get on track in the accompanying briefing document.

The Heat and Buildings Strategy sets out to meet – or exceed – the Government's target to install 600,000 heat pumps per year by 2028, with a 30-fold increase in UK manufacturing. Plans to stop installing new fossil gas boilers by 2035 and end new fossil heating systems in off-grid homes from 2026 point to a big growth in heat pump installations. To support sustainable market growth and to act as a runway for the Boiler Upgrade Scheme launching next April, we have identified three key areas for near-term progress: tariffs, training and trust.

Tariffs

Currently, burning fossil gas is cheaper than clean electricity. This is in part due to the way that energy bills are structured, with around a quarter of the cost made up of levies and legacy policy costs on the electricity side. The Government acknowledges this distortion, but we still need a plan for addressing this in a timely way. With energy bills set to increase next April following changes to the price cap, it's important to ensure that people switching to low carbon electricity to heat their homes are not being unfairly penalised for doing so because of policy costs falling unduly on the electricity side. So, we call on the Government to publish early in the new year a plan for promoting low carbon electric heat pumps by removing unfair and counterproductive levies from electricity bills.

Training

There is currently a major skills shortage for high-quality installations of heat pumps across the UK. Analysis by the Heat Pump Association suggests that we will need at least 50,200 heat pump installers by 2030 – a huge uptick from the 2,000 qualified heat pump engineers today. The clean heat skills transition must be attractive and affordable to ensure a smooth transition for those currently working on gas heating. We call on the Government to work with industry to introduce a heat pump retraining package which provides resources, regulation and finance to support training for 25,000 installers by 2025 and support the roll-out of green apprenticeships schemes for school leavers.

Trust

Across the UK, there are low levels of awareness regarding heat pump technologies, with only 5% of the population feeling well informed. It is crucial that the public has access to clear information to enhance their understanding about the role they play in reaching net zero. Establishing trust is also

essential. Most households will need independent advice and support from a respected source to provide confidence behind decision-making around low carbon heat. There is a need to ensure people have access to consistent, comprehensive and tailored impartial advice and support as they transition to low carbon heating. We call on the Government to support a nationwide green homes awareness and information campaign, and the roll-out of a high-quality advice and support service across the country on heat pumps.

By taking these three steps, we can quickly get off the starting blocks and race forward to a mass-market for heat pumps within the decade, backed by industry, investors and individual households. Our recommendations can unlock productivity, market growth and consumer demand – essential for fulfilling Governments ambitions and making heat pumps the first-choice replacement to polluting fossil gas boilers.

Yours sincerely,

Juliet Phillips and Edward Robinson

Secretariat of Electrify Heat



About Electrify Heat

Electrify Heat is a campaign launched by businesses, climate and consumer focused groups in July 2021 with the aim of advocating for clean and climate friendly heat for the UK. Members include E.ON, Good Energy, Octopus, OVO, Green Finance Institute, Scottish Power, Ground Source Heat Pump Association, Energy Savings Trust, MCS, the Association for Decentralised Energy, Energy UK, Heat Pump Federation, Heat Pump Association, EDF, ICAX, Pure Renewables, Kensa Group, and UK Power Networks.