



Department for
Business, Energy
& Industrial Strategy

Department for Business, Energy &
Industrial Strategy

1 Victoria Street
London
SW1H 0ET

Mr Fraser Harper

By email: harpef@bluemirrorinsights.com

T +44 (0) 20 7215 5000

E enquiries@beis.gov.uk

W www.gov.uk

Our ref: TOB2022/06186

25 March 2022

Dear Mr Harper

Thank you for your email of 8 March regarding the skills needed to decarbonise heat in homes. I am responding on behalf of the Department.

Decarbonising heat presents a huge opportunity to build back better and greener. Speeding up the deployment of energy efficiency measures and low-carbon heating can provide a major economic stimulus, creating new highly-skilled jobs, products, markets and supply chains in the UK, fit for a Net Zero future. We expect it will support up to 240,000 jobs by 2035 resulting in £6 billion additional GVA by 2030.

Given the diversity of heat demand, no single solution can provide the best option for everyone - a mix of technologies and customer options will need to be available to decarbonise heat at scale. This Department has work underway with Ofgem to develop a better understanding of the opportunities and challenges presented by local area energy mapping and planning and is considering the most appropriate policy options to take forward. This work could help to bring together key local stakeholders to explore the impact of decarbonisation choices across sectors and how different technology options may impact on local energy networks.

Hydrogen for heating is not yet an established technology and we are supporting ongoing trials, research and innovation to build the evidence base required to take strategic long-term decisions by 2026, including on the potential role for hydrogen in heating buildings and the potential territorial extent of each technology pathway, while taking significant no-regrets action now. We know, however, that some technologies (such as heat networks and heat pumps) will have a key role in all scenarios, therefore we are accelerating action to scale up both these markets. The Government is continuing to grow and decarbonise the UK Heat Network market through £338 million for the Heat Network Transformation Programme, including at least £270 million for the Green Heat Network Fund, sector regulation and new heat network zones by 2025.

In October 2021 we consulted on proposals for central and local government to work together with industry and local stakeholders, to identify and designate areas within which heat networks are the lowest cost, low carbon solution for decarbonising heat¹. We estimate that our proposals will enable an additional 31 TWh of deployment in the period to 2050 (around 7% of total UK heat demand) and deliver benefits worth £560 million. This followed a commitment in the Energy White Paper to support Local Authorities to designate new heat network zones, no later than 2025.

¹ <https://www.gov.uk/government/consultations/proposals-for-heat-network-zoning>

The Government has also made a commitment to grow the heat pump market to 600,000 installations a year by 2028. The Heat and Buildings Strategy sets out actions we will be taking to meet this target, including the launch of the Boiler Upgrade Scheme and consulting on phasing out the installation of new fossil fuel heating systems off the gas grid.

The Government is working closely with industry to ensure that installers have the skills to install these heating technologies in consumers' homes. Training is already available for existing heating engineers to install heat pumps and can be completed in one week. In September 2020, the Government launched a £6 million skills competition to provide training opportunities for the energy efficiency and low carbon heating supply chains. This supported almost 7,000 training opportunities.

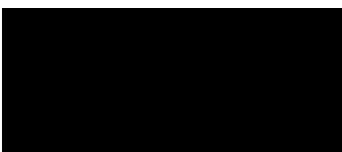
The Government is also supporting new apprentices to join the workforce. It currently provides up to £4,000 in direct incentive payments for employers to take on apprentices, including heating apprentices. It is working with industry to develop a new Low Carbon Heating Technician apprenticeship and update the existing Plumbing and Domestic Heating Technician apprenticeship. This will ensure that all heating apprentices have the core skills needed for low carbon heating and can access the jobs that will set us on the pathway to Net Zero.

The Hydrogen Skills and Standards for Heat programme² is working towards the development of technical standards for domestic and non-domestic hydrogen gas installations, and on associated competence frameworks and training specifications for installers. The standards developed will define the required criteria to safely repurpose existing natural gas equipment for hydrogen, to design and install new hydrogen-safe pipework and appliances, and to train a workforce of competent hydrogen gas installers.

We will be establishing the Green Jobs Delivery Group, a commitment in the Net Zero Strategy, to be the central forum through which the Government, industry and other key stakeholders work together to ensure that the UK has the workforce needed to deliver a green industrial revolution. The Group will include Ministerial representation and will be co-chaired by an industry representative.

Thank you once again for taking the time to write. I hope this response is helpful to you.

Yours sincerely



BEIS CORRESPONDENCE UNIT

² <https://www.gov.uk/government/publications/hydrogen-skills-and-standards-for-heat>