

From: [Hepper, Fiona](#)
To: [Clydesdale, Alison](#); [Hutchinson, Peter](#)
Subject: FW: EMBARGOED: CBI CALLS FOR BIG PUSH ON LOW-CARBON HEAT TO CUT EMISSIONS
Date: 14 September 2010 16:53:24

[Alison](#)
[Peter](#)
to note - we will need to cover this when we see Min on Thursday
F

Fiona Hepper

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Please consider the environment - do you really need to print this e-mail?

From: Nigel Smyth [mailto:Nigel.Smyth@cbi.org.uk]
Sent: 14 September 2010 14:42
To: Hepper, Fiona
Subject: FW: EMBARGOED: CBI CALLS FOR BIG PUSH ON LOW-CARBON HEAT TO CUT EMISSIONS

Fiona
once you get back from holidays perhaps I could call in for a catch up over coffee
See below latest CBI policy document on energy – this time on RHI

Regards

Nigel Smyth
Director, CBI Northern Ireland

Tel: 028 9010 1100

[Don't miss the CBI Northern Ireland Annual Lunch - 8 October 2010 - Belfast City Hall](#)

From: Guy Dennis
Sent: 14 September 2010 14:34
To: Email to CBIALL; 'Emma Powell'; 'Helen Alexander'; 'Jermey Salisbury'; Jim French; 'Martin Broughton'; 'Matt Appleby'; 'Muniya Barua'; 'Peter Vertessy'; 'Russel Griggs'; 'Sally Hunt'; 'Stephen Cooke'
Subject: EMBARGOED: CBI CALLS FOR BIG PUSH ON LOW-CARBON HEAT TO CUT EMISSIONS

The following embargoed press release has been issued to media.

Attachments:
[CBITheHeatIsOn.pdf \(273KB\)](#)

Please find embargoed press release below, and attachment link above.

EMBARGO -00:01hours onWednesday 15 September, 2010

CBI CALLS FOR BIG PUSH ON LOW-CARBON HEAT TO CUT EMISSIONS

The CBI is urging the Government to develop a clear strategy to reduce carbon emissions from heat, including encouraging the use of surplus industrial heat to warm homes.

Launching a new report at the CBI's energy conference in London today (Wednesday 15th September) *The Heat is on: Delivering an integrated heat policy*, the UK's leading business group says cutting emissions from heat is crucial to meeting legally-binding carbon reduction targets by 2050 and mitigating rising energy costs.

But the CBI warns that existing heat policy is fragmented and complex, and calls on the Government to review the Renewable Heat Incentive (RHI), which will subsidise homeowners and businesses that want to install low-carbon heat technologies.

In its current form the RHI will offer a subsidy to a range of renewable heat technologies, such as solar panels, air/ground source heat pumps and renewable CHP. But as planned, the RHI runs three risks:

- Large amounts of subsidy could be directed towards expensive technologies in cases where cheaper alternative technologies could be used
- The cost of funding the RHI could fall disproportionately on industrial gas users
- The scheme will not encourage imaginative options to make better use of existing heat generation, such as district and community heating schemes that use surplus industrial heat to warm domestic homes and businesses.

Dr Neil Bentley, CBI Director for Business Environment, said:

“Heating for domestic homes and industry accounts for almost half of all energy used in the UK, and cutting emissions here could take us a long way towards reaching our carbon targets.

“There are lots of exciting technologies that can make a difference, but getting them off the ground needs investment, so the principle of an incentive scheme makes sense. But some renewable heat technologies such as solar panels won't always offer good value for money, so the RHI must have inbuilt limits on how much can be spent on individual technologies.

“One of the most cost-effective ways of reducing heat emissions is by insulating homes and businesses, and this should be the first step for anyone seeking to improve energy efficiency.

“We also need to think ‘outside the box’ more. Linking surplus heat from industrial sites into local homes through district heating schemes could be an efficient and cost-effective way to reduce heat emissions, but existing Government policy won't encourage this sort of innovation”

Among the measures the CBI is calling for are:

- An early review of the of the RHI with a presumption that support levels will decrease as needed to ensure the total subsidy cost does not escalate disproportionately
- The Government to encourage better energy management in buildings by creating a one-stop advice service
- More resources should be put into heat mapping to uncover where there is surplus heat and

where demand is high enough to facilitate the development of district heating networks

- The public estate, including schools and hospitals, should commit to procure heat and cooling services from district heating networks
- The Government should consider pump-priming support for the infrastructure to enable waste heat from industrial processes to be linked to district heating
- The Department for Energy & Climate Change (DECC) and Treasury should consider opening up the competition for Carbon capture and storage (CCS) to industrial projects
- The original plans to fund the RHI by a levy on fossil fuel users should be reviewed.

A copy of *The Heat is on: Delivering an integrated heat policy* is attached.

15 September 2010

Note to Editors:

The CBI is the UK's leading business organisation, speaking for some 240,000 businesses that together employ around a third of the private sector workforce. With offices across the UK as well as representation in Brussels, Washington, Beijing and Delhi the CBI communicates the British business voice around the world.

This CBI's Energy Conference is taking place at the Royal Society in London on Wednesday 15th September. Further details can be found at: <http://climatechange.cbi.org.uk/events/00396/>

Media Contacts:

CBI Press Office on 020 7395 8239 or out of hours pager Irrelevant information redacted by the RHI.

The CBI's (Confederation of British Industry's) registered address is:
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