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12 October 2012

Chris Heaton-Harris MP
House of Commons
London
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Dear Chris,

Thank you for your letter dated 12 September to Edward Davey, enclosing correspondence from your constituent, [REDACTED] about decarbonisation and the Energy Bill. I am replying as this matter falls within my portfolio.

This is a once-in-a-generation opportunity to reform the electricity market so that we can meet the triple objectives of decarbonising our power sector to meet our statutory targets, delivering security of electricity supply, and meeting our goals at the lowest cost to consumers.

This is a considerable task. It will be the greatest shake-up of our electricity system since privatisation, and I welcome the advice from the Committee on Climate Change¹, the Energy and Climate Change Select Committee's scrutiny of the Bill, and the recent publication of their report².

The Government is committed to meeting our statutory carbon budgets, as set out in the 2008 Climate Change Act. Analysis published in the December 2011 Carbon Plan suggests that the most cost effective paths to deliver the 2050 target require the electricity sector to be largely decarbonised during the 2030s.

The Department is currently undertaking further work on the issue of decarbonisation of the power sector ahead of the progression of the Energy Bill. In particular, careful consideration is being given to all the recommendations of the Committee on Climate Change and the Energy and Climate Change Select Committee, including those related to the level of grid decarbonisation. Any form of decarbonisation target would need to take account of the need for flexibility in how we meet our carbon budgets in order to minimise costs to the economy.

¹ <http://hmccc.s3.amazonaws.com/EMR%20letter%20-%20September%2012.pdf>

² <http://www.parliament.uk/business/committees/committees-a-z/commons-select/energy-and-climate-change-committee/news/energy-bill-report-published/>

We will publish our response to their report alongside the amended Bill when it is introduced to Parliament. This is expected in autumn this year.

DECC is committed to reducing the amount of energy we consume and improving efficiency, and I am convinced that the implementation of smart meters and the Green Deal – as legislated for in last year's Energy Act – will herald great progress. DECC itself is taking action on reducing its own carbon footprint, and has achieved a new 'C' Display Energy Certificate rating for Whitehall Place. We have cut our energy consumption by 60% over the past four years and slashed carbon emissions by half.

The means by which we generate electricity is one of the most important issues of our time and I can assure you I will continue to drive forward the low-carbon agenda.

I do hope this helps in replying to your constituent.

Yours sincerely,



JOHN HAYES

P.S.

I trust that this is useful.

Regards,

