

The Rt Hon Greg Clark MP
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

January 2017

Dear Secretary of State,

We are writing to you ahead of the forthcoming consultation on Industrial Strategy to highlight the importance of a secure, sustainable and cost competitive energy infrastructure for businesses up and down the UK. The energy sector employs 120,000 directly in the UK and supports a further 500,000 jobs in its supply chain as well as providing heat and power that drives all economic activity.

The UK has been at the forefront of reducing carbon emissions and has the potential to become a centre for excellence in low carbon technologies that would support thousands of British jobs domestically and provide export opportunities internationally. It is, furthermore, a sector which, in the context of the UK exiting the European Union, has the opportunity for the UK to show global leadership through a bold and ambitious plan for meeting climate change targets, with more jobs, investment and environmental benefits.

Britain has a long and proud history in energy innovation from the Magnox reactors of the 1950s and '60s to the UK's pioneering role in the development of renewable technology which continues today. We are uniquely placed to take advantage of our countries abundant natural resources to be a world leader in renewable technology. Furthermore, in a post-Brexit economy, the tools we need to kick start a golden age of investment in our energy infrastructure are in our own hands through the investment tool provided in the Electricity Market Reform.

Investment in our energy infrastructure, as well as being essential for the day-to-day functioning of the British economy, can also deliver jobs through the growth of a domestic supply chain as witnessed through the new Siemens factory at Hull or the thousands of jobs created through the agreement on Hinkley Point C.

A coherent and long-term industrial strategy provides the unique opportunity to provide the long-term signals that supports this investment. Within the energy sector, this means setting out a long-term plan on timing and funding for technology neutral Contract for Difference

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allocation rounds, and a thorough review of network charging to ensure fairness in the cost of modernising our transmission network.

The energy sector globally is going through a profound time of innovation and progress. As a result of historical and geographical reasons the UK has the opportunity to take advantage and become a world leader in decarbonisation. The Government's forthcoming Industrial Strategy and Emissions Reduction Plan must grab this opportunity by recognising the investment needed into the sector and the opportunities it can present.

Best wishes,

A handwritten signature in black ink, appearing to read 'L Slade', with a long horizontal stroke at the end.

Lawrence Slade
Chief Executive, Energy UK

A handwritten signature in black ink, appearing to read 'Terry Scuoler', with a long horizontal stroke underneath.

Terry Scuoler
Chief Executive, EEF, the manufacturer's
organisation