First of all, I would like to reiterate my appreciation of the important work of your Committee. I particularly welcomed the Committee's inquiry into F-gas emissions and its two recent reports on Green Finance, and I was pleased to have the opportunity to give evidence to your inquiry into sustainable seas in December.

The UK can be proud of its world-leading role in tackling climate change and leading the transition to low carbon energy. As you are aware, our landmark Climate Change Act has helped us to reduce our emissions by 42% since 1990 while growing our economy by 72% - and we are independently assessed by PWC as the best performing G20 nation since 2000.

My priorities are to ensure that Britain continues this impressive progress through the implementation of our Clean Growth Strategy and the Industrial Strategy Clean Growth Grand Challenge; delivering a reliable, clean and affordable energy system with consumers at its heart; meeting our emissions targets under the Climate Change Act; and continuing our climate change leadership on the global stage.

I am pleased to say that we are making good progress and have achieved several important milestones over the last twelve months, both domestically and internationally.

**Clean Growth**

With regard to clean growth, we have met the second carbon budget (2013-17); held our first Green GB Week to celebrate UK leadership on climate change and highlight the opportunities from clean growth; announced two “missions” under the Industrial Strategy, on energy use from buildings and low carbon industry; and published our CCUS Action Plan setting out the work we will do to enable the development of the first CCUS facility in the UK.
We have also taken steps to cut energy use in homes and businesses, including announcing a £315 million Industrial Energy Transformation Fund; supporting the publication of the Green Finance Taskforce report; and most recently, announcing the Future Homes Standard to cut emissions from new homes, and launching the Offshore Wind Sector Deal which sets out an ambitious programme to ensure the UK reaps the benefit of our sustained investment in this crucial technology.

**Energy Strategy**

More broadly, we have continued to make strong progress on the energy system. The Secretary of State’s landmark speech on energy strategy set out our strategic principles, providing a firm basis for existing and future policy.

Consumers remain our key priority and we have, with your Committee’s support, put in place the energy price cap, while continuing to mitigate energy costs for the most energy intensive industrial users. We have continued to progress the rollout of smart meters, with over 12.8 million operational at the end of September 2018. We have taken steps to ensure continuity for the civil nuclear sector after EU Exit; and we have continued our remarkable progress in decarbonising the power sector, with half of our electricity generated from low-carbon sources last year and a further Contracts for Difference Allocation Round due to open in May.

**Global Leadership**

I am delighted to say that we have continued to play a leadership role internationally – securing our main objectives at COP 24 in Katowice, continuing to grow the Powering Past Coal Alliance, and continuing to deliver on our commitment to invest at least £5.8 billion in climate finance. We have led in our response to the latest science on climate change – highlighted by the IPCC’s Special Report on 1.5°C – by commissioning advice from the Committee on Climate Change on our long-term climate targets.

**Looking Ahead**

While we should be proud of our achievements to date, we must also recognise the challenges ahead: to keep costs down; to replicate our success in reducing emissions from power in other parts of the economy; to maintain and strengthen our energy security; and to put in place a framework which enables the UK to remain at the forefront of the global transition to clean growth.

Over the next year, we will be continuing the ambitious implementation of our Clean Growth Strategy. This will include finalising an Action Plan on measures to shape the home energy efficiency market for the future, consulting on regulatory options to phase out high carbon fossil fuel heating in off gas grid homes, measures to improve business energy efficiency, continuing our support for CCUS through our Action Plan, setting out detailed proposals on the Smart Export Guarantee for small scale generation, and bringing forward an ambitious Green Finance Strategy.

We will continue to place consumers at the heart of the energy system through our energy price cap, rollout of smart meters, and our work to bring forward an Energy White Paper to ensure we can reap the benefits of the energy transition, building on the principles in the Secretary of State’s speech and providing a firm basis for future decision making.
As you will be aware, the UK is also bidding to host the United Nations Climate Change Conference (COP 26) in 2020. This would be a hugely exciting opportunity to showcase our global climate leadership while driving forward the momentum generated by the Paris Agreement in 2015. The UK has a brilliant story to tell and I have no doubt that we would host a successful conference. Your Committee’s support for this bid would be immensely valuable as we progress discussions with international partners over the coming months.

**Opportunities for collaboration**

I look forward to your support and scrutiny as we take our work programme forward this year. In parallel, I am very keen to explore how the Government and the Committee might work together more effectively over the coming year in support of our shared goals, both in the context of the Committee’s inquiries (for instance, on Planetary Health and UK Export Finance) and on a wider basis.

Once again, I am extremely grateful for the important work of your Committee, and I look forward to hearing from you in due course.

Yours ever,

THE RT HON CLAIRE PERRY MP
Minister of State