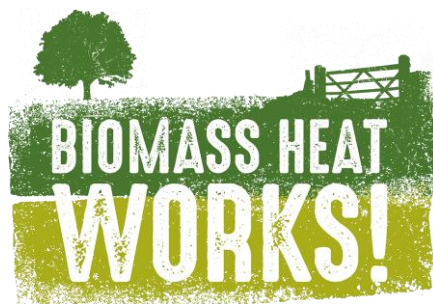


17 February 2020

The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
House of Commons  
London  
SW1A 0AA



**Decarbonising heat today**

Dear Chancellor

As representatives of the UK's biomass heat industry, we are writing to firstly congratulate you on your appointment as Chancellor in advance of the Government's Spring Budget.

Secondly, we would like to express our wholehearted support for the country's commitment to net zero, carbon reduction and renewable energy, and assist the Government in meeting its own targets for decarbonising heat and its planned tree planting initiative.

The biomass sector has been one of the fastest sectors of the UK economy in recent times supporting 46,000 jobs, over 700 supply chain companies and reducing CO2 emissions by approximately 50 million tonnes. Looking ahead, it has the potential to grow to 80,000 jobs by 2026 and 100,000 by 2030, and contribute £2bn annually to the economy if further support from the Government can be assured.

Biomass use also supports the supply chains and forestry management required for the Government to meet its pledge to plant 30 million trees a year by 2024. Through the accredited woodland management schemes, this will generate an additional six million tonnes of residue for biomass created from thinnings and low value wood. The current estimated annual usage is over two million tonnes per annum so this will further sustain the industry for years to come.

The Renewable Heat Incentive (RHI) ends in March 2021 and biomass, as part of the scheme, has been the most successful technology used by businesses and households switching to renewable energy heat sources. It is the most proven and best ROI renewable technology available, especially for rural and off-gas grid areas. As Chancellor and MP of a rural constituency, our industry is calling on you to:

- **Start reducing the subsidisation of fossil fuels usage in relation to heating (eg if fossil gas consumers paid 20% VAT instead of 5%, this would provide £1.6bn per annum in additional funds for the Exchequer to help support renewables, energy-efficient schemes and fuel poverty, whilst signalling to the market that change is required).**
- **Provide funding for renewable technology support, including biomass, as part of an extended RHI to 2030.**
- **Provide additional funding within the scheme to ensure all installations are properly assessed for energy efficiency. This will offer consumer protection and the Government can be assured of carbon reductions.**

In the year when the UK is hosting COP26, the UN's Climate Change Conference, this would be a huge step in the right direction.

Yours sincerely

On behalf of Biomass Heat Works!  
(UK Pellet Council and the Wood Heat Association)

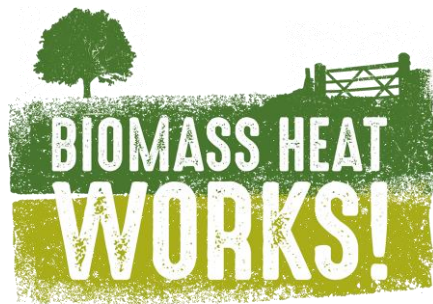
A handwritten signature in black ink, appearing to read 'Mark Lebus'.

Mark Lebus  
Chair of the UK Pellet Council

A handwritten signature in black ink, appearing to read 'Neil Harrison'.

Neil Harrison  
Chair of the Wood Heat Association





## Decarbonising heat today

### NOTES:

- Biomass is often the most cost effective and viable, low carbon option available to people living or running businesses in rural communities and is commercially proven/ready.
- It provides an efficient resource for meeting heat demand in large urban areas, large public buildings (schools, hospitals) and new housing schemes.
- Consumers using biomass are significantly reducing carbon emissions and energy costs - if replacing oil or electric heating, wood fuel can make up to 90% greenhouse gas savings and cut heating bills by a third or two-thirds respectively (Wood Heat Association).
- Biomass contributes to 46,000 jobs, almost four times the number working in UK fisheries; 11,700 (UK Government Fishing Industry Statistics 2017).
- Installing a wood pellet-fired biomass boiler (output 180kW) running with a 25% load factor and 92% efficiency (compared to a new gas oil boiler offering the same energy output and 95% efficiency) offers annual savings of £1,375 and 112.8 tonnes of CO2 (BEIS Energy Technology List).
- As a heat source, the UK could triple its use of bioenergy from 6% to 16% by 2032 (REA Bioenergy Review).
- Renewable heat generation increased by 11% in 2018 and of this increase, 46% was from plant biomass. Biomass is the single largest contributor to heat decarbonisation in the UK - the current lack of future policy risks undermining this progress to date (Digest of UK Energy Statistics 2019).
- When displacing natural gas, CO2 emission savings of between 73-90% are possible when switching to wood fuel (BEIS Energy Technology List).
- Approximately 16m UK domestic households use natural gas to heat their homes with an average annual spend of £655. The estimated cost of heating and hot water using gas is calculated using the average annual heat demand for a medium user (12,000kWh) as calculated by Ofgem (December 2019).
- The Committee on Climate Change's (CCC) 'Biomass in a Low Carbon Economy' report estimates that biomass could meet up to 15% of renewable heat needs. It is the overlooked cornerstone of renewable energy and will have the biggest growth in renewable resources between 2018 and 2023.

ENDS.

