

UKGBC Response to BEIS Consultation on phasing out the installation of fossil fuel heating in businesses and public buildings off the gas grid

January 2022

Introduction

The UK Green Building Council (UKGBC) is an industry network with a mission to radically improve the sustainability of the built environment, by transforming the way it is planned, designed, constructed, maintained and operated. As a charity with over 600 member organisations spanning the entire sector, we represent the voice of the industry's current and future leaders who are striving for transformational change. We welcome the proposal contained in this consultation to phase out oil, LPG and coal heating systems in businesses and public buildings off the gas grid.

Responses to individual Consultation Questions:

[Note that we have confined ourselves to responding to questions that fall within our organisational remit.]

Question 1: Do you agree with the principle of using the natural replacement cycle to phase out the installation of fossil fuel heating systems in non-domestic buildings off the gas grid? Yes/No. Please explain your response.

Yes. However, the Government must ensure that any regulatory mechanism is accompanied by actions that encourage businesses to make decisions at times other than system breakdown. The point of breakdown is not the optimal time to change a heating system, as businesses will be tempted to make decisions in a hurry and without adequate research and advice.

Question 2: Do the 2024 and 2026 timescales for introducing this policy provide sufficient lead-in time for non-domestic off-gas grid consumers to prepare for their transition to low carbon heat? Yes/No. Please provide evidence to support your response where possible.

Yes, these timescales broadly align with those recommended by the Climate Change Committee¹. The proposed dates will also help the Government meet its target to halve emissions from public buildings by 2032. However, in the period running up to the first phase-out date, the Government should work proactively with the finance sector and the UK Infrastructure Bank to ensure that an attractive suite of financing options is in place. There may also be a need for some targeted grant support, as the Boiler Upgrade Scheme is scheduled to end in 2025 and will only provide financial support for heat pump installations in smaller non-domestic buildings.

Question 3: Would an implementation date of 2024 (for large buildings) and 2026 (for smaller buildings) provide sufficient lead-in time for industry to prepare for the increase in demand? Yes/No. Please provide evidence to support your response where possible.

Yes. Recent research for BEIS found that heat pump manufacturers were very confident that they could significantly increase supply into the UK market, through both import and domestic manufacture, by a minimum of 25-30% year on year for the next 15 years². It is therefore unlikely that there will be a supply chain squeeze. However, Government must work with industry to address the lack of trained heat pump installers, initially via a sustained programme of retraining for registered gas engineers.

¹ Climate Change Committee, [Sixth Carbon Budget](#), December 2020

² BEIS, [Heat Pump Manufacturing Supply Chain Research Project, Final Report](#), November 2020

Question 4: Do you agree with our proposal to introduce this policy for the largest buildings first? Yes/No. If not, please explain your reasoning, using evidence to support your response where possible.

Yes, this makes sense for the reasons outlined in the consultation.

Question 5: Do you agree with our proposals to take a heat pump first approach to the replacement of fossil fuel heating systems in off-gas grid non-domestic buildings? Yes/No. Please explain your response.

Yes

Question 6: Do you agree that most non-domestic buildings will be suitable for a heat pump? Yes/No. Please provide evidence to support your response, including examples of situations where the heat and hot water demand could not be met by a heat pump.

Yes. The Climate Change Committee is clear that heat pumps are the primary low-carbon option for most UK non-domestic buildings off the gas grid³.

**UKGBC
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For further information, please contact:

Jenny Holland, Public Affairs & Policy Specialist
jenny.holland@ukgbc.org

³ Climate Change Committee, [Sixth Carbon Budget](#), December 2020