











Rt Hon Greg Clark MP Secretary of State Department for Business, Energy & Industrial Strategy 1 Victoria Street SW1H 0ET

13th April 2017

Dear Secretary of State,

Our organisations welcome the challenge set out in the Industrial Strategy Green Paper to deliver affordable energy and clean growth. Technological advances and competition are demonstrating that a modern, low-carbon energy system offers increasing potential to improve the competitiveness of our economy, while delivering investment and employment across the UK – particularly in regions outside London and the South East.

Low carbon sources are now the low-cost energy option – with cost reductions more akin to those seen in electronics than traditional infrastructure. The nature of renewables infrastructure also guards against inflationary pressures and growing import dependency.

If we act early to develop the right frameworks, low-cost, clean energy combined with new storage solutions and the adoption of smart digital technologies will drive innovation and investment across the UK's regions and potentially enable exceptional export opportunities across the world.

To maximise the value of these technological advances to the UK economy and realise the vision of an energy sector in which smart management, innovation and competition deliver growth, consumer savings and clean energy, we believe the Industrial Strategy should prioritise:

- Providing a robust assessment of our future energy needs and a plan, consistent with our carbon objectives, to meet these which provides clear investment signals – particularly to domestic supply chains
- Ensuring that the market is competitive and can deliver low-cost, clean power supplies to replace retiring capacity and meet future demand from wider electrification
- Delivering lowest cost for consumers and businesses by opening-up markets for smart technology to develop the most efficient and cost-effective power network
- Regulatory and market reform to encourage energy storage, including the definition and treatment of storage
- Supporting British research and innovation so that new and emerging technologies continue to move down the cost-curve and into commercial competitiveness
- Setting a clear plan to support the bioeconomy, which can accelerate decarbonisation, particularly in difficult sectors such as heat and transport

Our organisations are committed to working with Government on these priorities and to develop a modern, clean energy system at lowest cost to Britain's businesses and households.

Yours sincerely,

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