

# **Government/Industry Contact Group to support future decarbonisation of off gas grid heating**

May 2018

## **Introduction**

There is an important role for a heating oil industry/Government contact group.

It will be imperative for Government and affected industries to engage to understand the transition to low carbon heating off the gas grid. As observed in the transport industry, BEIS considers that a low/zero carbon heat market offers the potential for a UK-led industry contributing to economic growth and highly-skilled jobs in a global market, worth £billions.

This document defines the Terms of Reference for the contact group, comprising its purpose, responsibilities and membership list.

## **Background**

In October 2017 BEIS published the Clean Growth Strategy, which announced Government's intentions to phase out the installation of high carbon fossil fuel heating in buildings not connected to the gas grid during the 2020s. Building on this, the Industrial Strategy set out the ambition to lead the world in development, manufacture and use of low carbon technologies, systems and services. BEIS considers that change in today's oil market can involve growth and expansion.

## **Purpose of the group**

The contact group will provide a forum for engagement in relation to proposed policy options.

For Government specifically the group would aim to:

- Draw in non-commercially sensitive evidence and insight from the industry to develop policy options and test policy ideas with the industry.
- Disseminate policy developments and updates to the wider market
- Allow representatives to respond directly, on behalf of the industry, following relevant Government milestones/announcements
- Provide the opportunity for engagement between existing fossil fuel and low carbon supply chains.

For the industry the group would aim to:

- Ensure opportunities and risks are fully understood by policy makers and ministers, and reflected in policy design
- Present robust challenge to policy ideas and strategy, and contribute constructive solutions
- Reassuring their own stakeholders/members that they are engaged with the issues and influencing Government decisions.

## **Membership**

The group will be co-chaired by OFTEC and BEIS, with BEIS taking the active role of chairing individual meetings.

Initial membership will be proposed by OFTEC. Others may be invited to attend the group with observer status, at the discretion of the co-chairs. Membership will be reviewed by chairs at least every six months, to ensure participation reflects the evolving nature of the market and policy framework over time.

BEIS is committed to transparency. In the spirit of open policy making, final minutes from each meeting will be published on Gov.uk (draft minutes will be available for comment prior to publication). This will give the entire heat industry access to the outcomes of the contact group, and the means to contribute.

BEIS is committed to diversity and inclusion. Where possible we will endeavour to reflect that in the membership of this contact group.

## **Mode of operation**

The group will meet initially on a quarterly basis during the course of the development of a policy framework for off gas grid heating. Where issues arise that require immediate decision, details will be circulated to group members.

After the first year of operation, co-chairs and extant group members will review the regularity of meetings, in the context of an agreed work plan.

The role of the co-chairs is to chair the discussion and propose agendas.

Group members with suitable facilities may be asked to host group meetings occasionally, to ensure a good geographic balance.

## **Working methods**

OFTEC will provide the Secretariat for the group.

The Secretariat will aim to schedule meetings at least one month in advance, and to provide agendas and papers at least one week in advance of each meeting. The secretariat will similarly aim to minute the key decisions and actions, and circulate to

group members within two weeks of each meeting. Agendas will be specific and “any other business” will not be included as an agenda item.

BEIS will take responsibility for maintaining information on Gov.uk, including any redactions of minutes prior to publication. BEIS will also be responsible for managing any contributions from non-group members received via Gov.uk, while specific enquiries about membership will be directed to OFTEC.

## **Compliance**

In furtherance of the objectives above, the Committee shall act in compliance with applicable law (including, but not limited to competition law). Participation in the Committee shall not require any action by a party that any party considers to be in contravention of any applicable law. No party shall discuss any commercially sensitive information. Unless mandated through legislation the introduction of low carbon fuel is a separate commercial decision for each company.

## **Review**

These terms of reference will be reviewed again after one year of operation, in May 2019, and agreed with group members. Any urgent matters in the interim will be agreed in the first instance by co-chairs and shared with group members as appropriate.

Membership will be reviewed more frequently as detailed above.