



Policy Briefing BES April 2021

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Contents

INTRODUCTION	4
6-month Policy Outlook	5
Estimated timeline for items pledged ‘in Spring’ or ‘early 2021’ by Government.....	5
CONSULTATION TRACKER	6
Live consultations – priority consultations covered in more detail below	6
Closed consultations – recently responded to by BEAMA.....	6
UK TRANSITION	7
SUPPORTING OUR MEMBERS TO MEET NET-ZERO BY 2050	8
A new feature and platform to share best practice and follow the changing regulatory environment associated with Net-Zero	8
Industrial Decarbonisation Strategy	8
Trade and Environment - the evolving picture	13
CBAM – Carbon Border Adjustment Mechanism	13
Sustainable Finance	15
EU Taxonomy Regulation	15
ACCTS - the Agreement on Climate Change, Trade and Sustainability	16
ENVIRONMENT AND WASTE	18
Consultation on Extended Producer Responsibility for packaging	18
Treasury Packaging Tax.....	19
UK WEEE Review	20
Additional UK WEEE updates	21
Consultation on Waste Prevention	22
EU Sustainable Products Initiative.....	23
European Standards – Energy-related products - Material Efficiency Aspects for Ecodesign – M/543	24

International Standards – Circular Economy and Material Efficiency	26
REACH	27
UK REACH	28
EU REACH updates.....	28
EU SCIP Database	29
Proposal to classify in CLH & REACH.....	30
EU Chemicals Strategy	31
Updated RoHS guidance	32
OPSS Alert – RoHS – Typo for Cadmium concentration	33
Proposal to list some chlorinated paraffins as persistent organic pollutants in the UK.....	33
ENERGY POLICY/REGULATION	35
Prime Minister’s 10-point plan.....	35
Spending review and infrastructure strategy.....	37
Energy White Paper.....	38
Interim report on Treasury Net-Zero costs review.....	42
CCC 6th Carbon Budget and policy recommendations, and new UK 2030 target	43
New UK Centre for Greening Finance and Investment.....	44
Select Committee critical appraisal of Govt net zero progress.....	45
Industrial Energy Transformation Fund open for funding applications.....	45
TRANSPORT	47
End date for sale of ICE vehicles.....	47
Government support for innovation in the transition to zero emission vehicles (ZEVs).....	47
DIGITALISATION.....	49
ENISA (European Union Agency for Cybersecurity).....	49
European Cyber Security Network Code	50
SAFETY	52
Building Safety Programme update.....	52
HEAT & ENERGY IN BUILDINGS	54
Future Buildings Standard consultation for England & BEAMA response	54
Government response to Future Homes Standard consultation	56
Government closes consumer Green Homes Grant to new applications from 31st March	57

INTRODUCTION

Dear BEAMA members

What a start to the year it has been! This policy briefing is evident of the change amounting from the transition to Net-Zero, as well as that presented to us following the UK transition from the EU and COVID19 recovery. The long list of government consultations and anticipated strategy documents this year present us with a great opportunity to represent a strong voice from our sector this year on policy areas that will be instrumental to our member's business -namely, low carbon heat, building regulations, building safety, plastic packaging, industrial decarbonization and net-zero.

With this briefing we are launching a new dedicated Net-Zero platform on the BEAMA website, through the existing Issues Forum tool, to help members keep up to date on policy and regulatory changes that will affect your business and progress in decarbonising your activities in the UK. We plan to grow this platform in coming months to provide a network for BEAMA members to share best practice and steer you through the wealth of information, standards and regulatory requirements that will evolve.

The journey for industry to decarbonise is further complicated by the pressures of EU exit and COVID 19 recovery, but never has the focus been more on the drive for green investment in the UK and BEAMA is working to ensure we are a leading voice of industry in the delivery of the UKs Industrial decarbonisation strategy and associated trade and investment negotiations. Most notably we have the Secretary of State for BEIS Kwasi Kwarteng MP joining the BEAMA Senior Sector Council meeting in May to discuss a way forward to support BEAMA sectors and drive increased investment.

As we review this quarters briefings and policy landscape we are acutely aware of the increasing scrutiny on supply chains, and the growing work for our members to track and source data from suppliers. We already see this through regulations including conflict minerals, bribery and corruption, REACH and we will see this increasing in other areas including Carbon Border Adjustment mechanisms, material efficiency and embedded carbon measures and requirements for products. We are continually reviewing how best we can support our members in light of this, and inevitably this will require more focused attention on helping members navigate the complexity of regulatory requirements evolving in our market.

The change to our working environments due to COVID-19 restrictions have led to a number of improvements in how we are engaging with our members. We are seeing a dramatic increase in the use of our online resources and tools including the BEAMA Issues Forum and UK Transition Site on the BEAMA website. We are pleased that the website now provides a great source of information for members and we have plans to improve this further this year.

Most notably we have introduced an online meeting for all members every other Wednesday afternoon, initially these were set up a year ago to manage the impact of COVID19, but we intend to continue these meetings to provide regular updates to members on the breadth of overarching policy agendas and ensure you are kept up to speed on key regulatory changes in the UK, of which we are anticipating many in the year to come.



Yselkla Farmer, Director Policy and Marketing

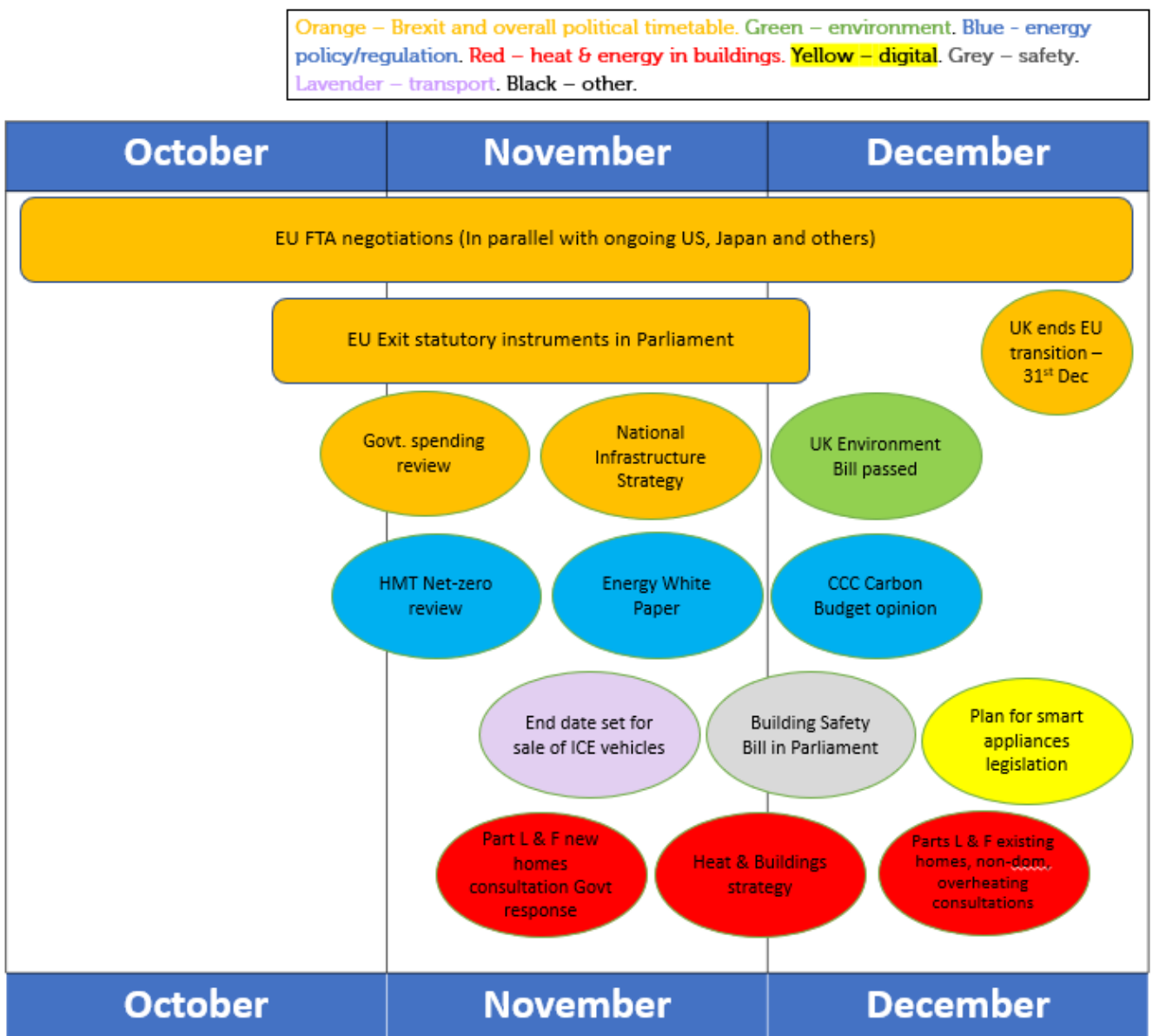


Simon Harpin, Policy Manager

6-month Policy Outlook

Here we have provided an outlook of items we are expecting in what is expected to be a very busy 6 months or so ahead in terms of policy and regulatory changes across our industry. We have indicated where Government has stated to us when we should expect certain publications, but as ever these times are subject to change – and note that where the pledged date is ‘Autumn’ this may be interpreted as ‘before the end of the year’.

Estimated timeline for items pledged ‘in Spring’ or ‘early 2021’ by Government



Consultation Tracker

Live consultations – priority consultations covered in more detail below

[Welsh Building Safety proposals](#) – deadline for comments 12th April; please send to simon.harpin@beama.org.uk or straight to Welsh Government [here](#).

[Future Buildings Standard](#) (Building Regs for non-domestic buildings and existing homes) – deadline for comments 12th April to simon.harpin@beama.org.uk

[Scotland’s draft Heat in Buildings Strategy](#) – deadline for comments 26th April to simon.harpin@beama.org.uk

[Scotland’s Skills needs for Net-zero](#) – deadline for comments 26th April to simon.harpin@beama.org.uk

[Local Authorities’ role in meeting net-zero](#) – deadline for comments 26th April to simon.harpin@beama.org.uk

[Domestic RHI – ensuring a stable scheme before closure](#) – deadline for comments 30th April to simon.harpin@beama.org.uk and chris.stammers@beama.org.uk

[EU Sustainable Products Initiative](#) – Orgalim set a deadline for responses of 9th April but you can respond separately by following the link.

[Extended Producer Responsibility for Packaging](#) – deadline for comments 14th May to simon.harpin@beama.org.uk

[Waste prevention strategy](#) – deadline for comments 14th May to simon.harpin@beama.org.uk

[EPC Standards for rented non-domestic buildings](#) – deadline for comments 21st May to simon.harpin@beama.org.uk

[Energy policy for large commercial buildings](#) – deadline for comments 21st May to simon.harpin@beama.org.uk

Closed consultations – recently responded to by BEAMA

[Ecodesign requirements for electronic displays \(UK\)](#) – implementing changes that the UK previously agreed to at EU level. We supported matching EU measures.

[EAC inquiry on heat pump barriers](#) – Select Committee inquiry resulting in a [letter to BEIS Ministers](#) urging longer term support. BEAMA CEO Howard Porter participated in a Committee session as a witness, fielding questions from MPs.

[BEIS Select Committee inquiry on decarbonising heat](#) – led to a [letter to BEIS Ministers](#) focusing on a critique of the Green Homes Grant.

[Improving the energy performance of Privately Rented Homes](#) – proposed that all PRHs would need to be EPC Band C by 2025 for new tenancies and by 2028 for all other PRHs.

[Scotland’s initial proposals for zero direct emissions heating in new homes](#) – early stage consultation to inform more details on Scotland’s version of the Future Homes Standard, which would launch in 2024.

[Welsh Building Regulations for non-domestic buildings and existing homes](#) – this consultation was more limited than the current consultation covering the same building types for England, focusing mainly on adherence to EPBD measures.

We continue to track post-EU membership developments in trade, policy and standardisation. We have been holding regular briefings for members with input from UK Government. We retain close ties with Orgalim and other European Trade Associations to ensure we remain fully aware of and influential in European developments that will impact our members' business.

We are now seeing UK Government actively reviewing policy areas that previously resulted from EU initiatives, for example Ecodesign, and we remain acutely aware of the risks of any divergence particularly where it is not carefully thought through. We are also seeing difference between UK and EU in the implementation of existing legislation, such as Energy Labelling. Input from members on the likely impact of changes on your businesses remains crucial to allow us to influence Governments on both sides of the Channel.

We have covered many developments in this area in your comprehensive briefing below. You can keep in touch via our regular briefings, and also by visiting our members' website [here](#), which has a repository of information on post-EU UK Transition.



Home > UK TRANSITION

UK TRANSITION

BUSINESSES NEED TO TAKE ACTION!

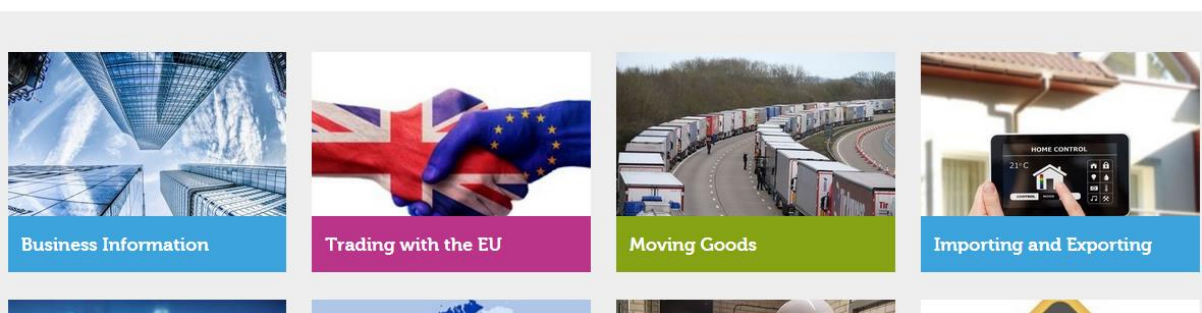
The UK has left the EU, and the Brexit transition period has ended. There are new rules for businesses doing business with the EU from 1 January, and you need to take action now. All information on Brexit can be found at www.gov.uk/transition.

The below information was issued to BEAMA by the Department for Business, Energy and Industrial Strategy and provides the latest information for businesses.



- ✓ Check
- ✓ Change
- ✓ Go

Find out more [↗](#)

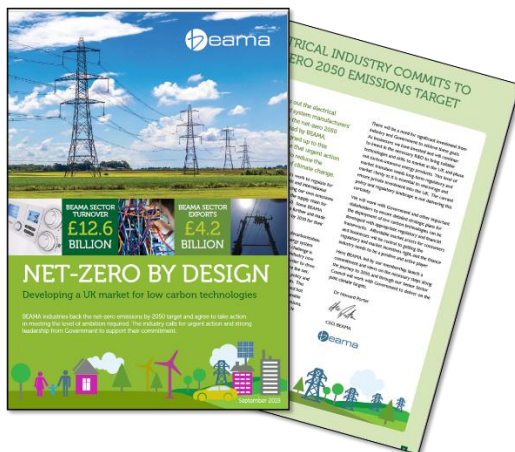


SUPPORTING OUR MEMBERS TO MEET NET-ZERO BY 2050

A new feature and platform to share best practice and follow the changing regulatory environment associated with Net-Zero

We know the Net-Zero by 2050 target will result in one of the most significant changes to our member's marketplace in the coming years, through changes to business practices and trade, in addition to evolving product regulation and increased restrictions on material use. We therefore want to provide a platform for members to keep track of this ever-evolving picture and importantly collaborate in our efforts to meet the target.

Here we are introducing a new regular feature in our policy briefings and a dedicated platform on the [BEAMA Issues Forum](#) supporting our ongoing work to inform policy and regulation in the UK and abroad in meeting the Net-Zero target by 2050. We are continuing our work with BEAMA members to support them in setting and meeting their own emission reduction targets in support of the [overall sector commitment](#) BEAMA holds on behalf of our members to Net-Zero by 2050.



Through this feature and focused work we will share best practice across the membership and report on the associated changing regulatory and policy environment that may affect our member's market place and target setting associated with Net-Zero.

We are now working on a plan to re-publish our sector Net-Zero commitment this Autumn in support of the Race to Zero UNFCCC campaign alongside a report from BEAMA shining a light on the policy and regulatory environment and progress made to date on the UK's Net Zero target. This we hope will inform the UK's progress in delivering the new Industrial Decarbonisation Strategy and overall Net-Zero strategy. This target underpins so much of the policy that determines our member's marketplace (electrification of heat and transport, electricity network investment, energy efficiency, healthy homes) and our publication this autumn will focus discussion on actions made in the UK.

We hope our work in the coming months will ensure the achievements already being made in our sector to meeting this ambitious target can be promoted on the international stage at COP26 and through the Autumn green investment summit.

Industrial Decarbonisation Strategy

Status

This strategy was published March 2021 and is a core precursor to the UK's Net Zero Strategy expected later this year.

Impact

Impact

All actions set out in this strategy have review periods in 2021 and 2022, we therefore expect the next 5 years to be a significant milestone in setting out a clearer path for our members in decarbonising industrial activities in the UK. Some of the work highlighted in this strategy could dramatically change the investment landscape in the UK and therefore our members businesses.

BEAMA see this strategy as a positive step in supporting BEAMA members to meet Net-Zero. We know from speaking with many of you that more support is needed for SMEs, and regulation/pricing mechanisms are needed to ensure the 'last mile' in decarbonizing is achievable and commercially viable without causing significant carbon leakage and maintaining job opportunities in the UK.

Below is a useful extract from the Strategy highlighting how this fits in with existing government policy.

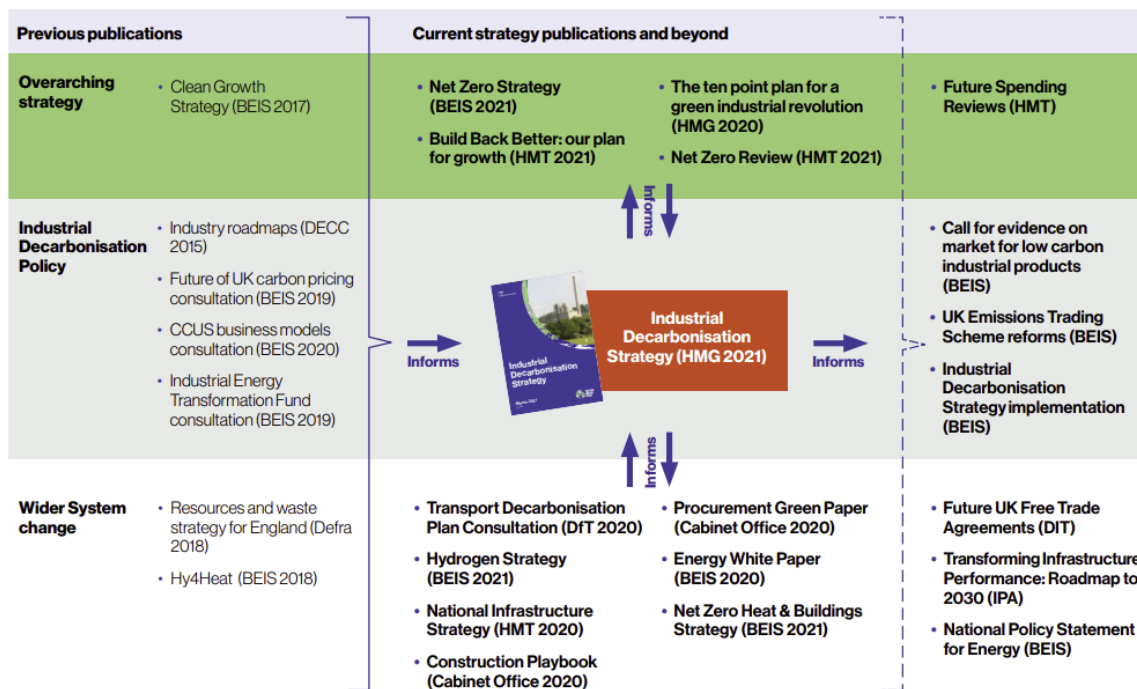


Figure 1.4: Strategy interrelation with other relevant UK government publications

As well as setting out the way forward for UK policy and regulation in driving emission reduction in industry, this strategy document also outlines clearly the policy and funding mechanisms already in place to help companies decarbonise. See annex 2 for more information.

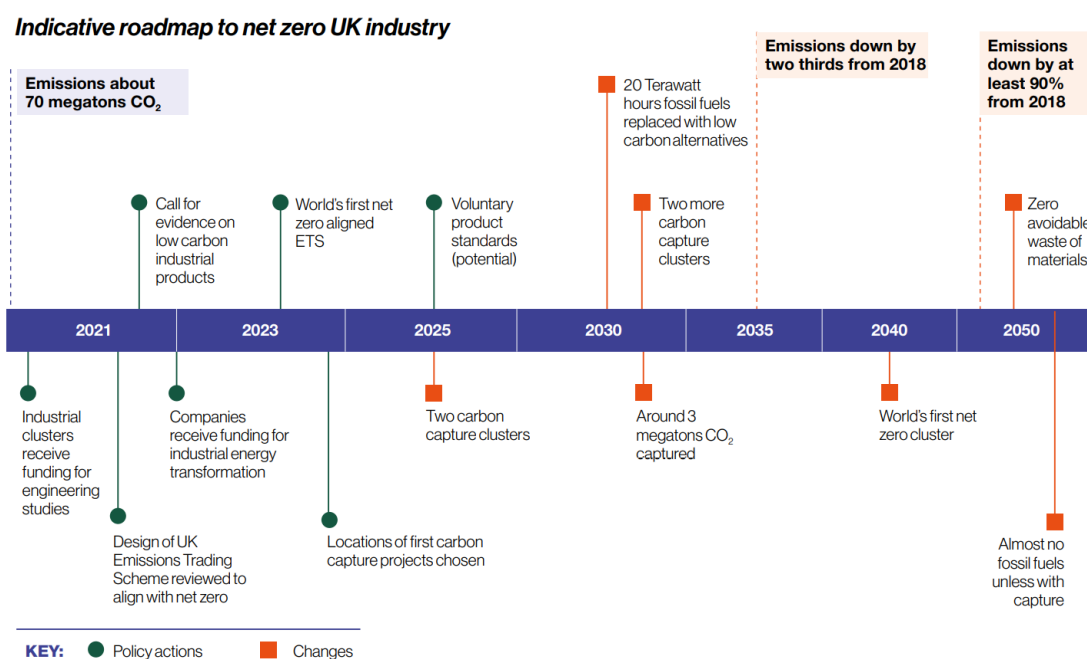
The Government's intention is to use the actions set out in this strategy to accelerate the green transformation in industry – they anticipate emissions from industry will need to fall by two thirds by 2035, and 90% by 2050 in order to meet net-zero (so what does this mean for our member's targets?). This includes a strong reliance on CCS and around 20TWh2 will need to switch to low carbon fuels by 2030. The scale of the challenge is huge and it is evident throughout the strategy the

2020s will be the crucial decade in making the regulatory and market changes necessary to achieving the target. These include a reformed UK ETS system, more effective carbon pricing and product regulations and labelling to create a market for lower carbon intermediary industrial products and end consumer products.

Industrial clusters are key to achieving the goal and they will support the creation of 4 low carbon clusters by 2030 and at least one net-zero cluster by 2040.

Scope - the strategy covers the full range of UK industry sectors; metals, minerals, chemicals, food and drink, paper, pulp, ceramics, glass, oil refineries and less energy-intensive manufacturing. In most cases BEAMA members fall into the category of 'less-intensive manufacturing' although will be linked to some more intensive sectors (e.g. metals).

The strategy sets out an indicative roadmap for industry in achieving net-zero.



A lot of the actions set out here will be revisited and further fleshed out in the Net-Zero strategy to be published later this year.

In the long run they believe carbon markets are best placed to determine the most cost-effective pathways to decarbonisation. They accept that industry faces a range of well documented barriers to clean growth, and government efforts so far have not provided the framework needed to make decarbonization viable. They will change the policy landscape to overcome these issues through action driven by core principles, including addressing market failures, taking a technology neutral approach and mitigate the cost of decarbonization to prevent carbon leakage. There is a strong focus on supporting the delivery of large-scale infrastructure project for key technologies/fuel use (Hydrogen, CCS deployment).

Government see emissions trading and product regulation policies continuing to form core levers used to drive the deployment of low emission technology through to 2050. But they will look to address the competitiveness risks arriving from such policies. This will include looking at closing differentials in global carbon prices as the cap of the UK ETS tightens and fewer emission allowances

are given for free. We therefore anticipate the work ongoing in the EU on the reform of EU ETS and introduction of the Carbon Border Adjustment Mechanism will play into the development of UK policy in this area. Further measures to mitigate competitiveness pressures were set out in the Net Zero Review Interim Report published by treasury last summer ([Link here](#)).

Here we list some of the key actions set out in annex 1 of the strategy. These are not all the actions but those we feel will be of key interest to our members and in time BEAMA will focus in on some of these actions through discussions with UK Government on how best to support BEAMA members in their efforts to meet net-zero. The scale of the work is significant and this action lists demonstrates the extent of potential change we may see in industrial sectors in the UK and abroad in coming years.

- Change the policy landscape to create incentives coherent with the carbon budget targets and net-zero.
- Use carbon pricing as a tool – providing certainty over UK net-zero ambition for industrial sectors. This will include consulting on a net-zero consistent emissions cap, reviewing the long-term role of free allowances, exploring expanding the scope of the scheme to cover more sectors of the economy, exploring linking with other scheme internationally and considering the case for a supply adjustment mechanism.
- Establish the right policy framework to ensure uptake of fuel switching – call for evidence will be launched later this year on energy affordability
- Establish a targeted approach to mitigating carbon leakage. Later this year they will review the design of the UK ETS, including the long-term role of free allowances.
- Work with stakeholders to understand how the EU Carbon Border Adjustment Mechanism could affect the UK. UK Government will engage with EU and UK business, academic and government stakeholders to understand how the policy could affect UK Industry.
- Develop proposals for improved data transparency – a call for evidence latter this year will look at how low carbon products can include data collection to support demand-side measures.
- Develop proposals for new product standards. A call for evidence latter this year will look to place clearer definitions on low carbon products and the potential introduction of voluntary products standards to help distinguish low carbon products from higher carbon equivalents, with a view to potential introduction by 2025. This will look at how to measure embodied carbon in industrial products. The primary focus of this product work appears to be on intermediary industrial product, with an aim to drive consumer take up and decision making for end-products.
- Develop proposals for product labelling. They will develop a proposal for a new labelling system for intermediary industrial products reflecting their impact on the environment, which could be implemented by the mid-2020s. They will also look to expand existing labelling regulations for consumer products (this could include energy labelling), to include assessment of embodied emissions from mid 2020s onwards.

- Work with industry to understand what is required to make sites retrofit -ready. In doing so they will assess the feasibility of mandating that new equipment is retrofit ready.
- Review policies to address specific barriers faced by less energy-intensive dispersed sites. In doing so they will undertake an analysis of current and emerging energy policies and engage with less energy-intensive, dispersed sites.
- Support sites to install energy management systems- encouraging organizations to adhere to the requirements set by the international energy management standards
- Help less energy intensive, dispersed industrial sites improve energy efficiency through the adoption of technologies available in the market with low payback times. They will undertake a review of how sites can adopt energy efficiency solutions, with measures being considered including audit programs, expert advice, and training for SMEs as well as expanding funding schemes and finance options.
- Develop a communications plan to make industry aware of the support that is already available to increase energy efficiency
- Support increased resource efficiency and material substitution within industry, by driving the transition towards a circular economy model and increasing re-use and repair and re-manufacturing. A modified Waste Prevention Programme will be published later this year/ early 2022.
- Support the development of industrial digital technologies to maximize efficiency improvements.
- Support industrial decarbonization through trade policy. Government will ensure the UK's right to meet net-zero is protected within FTAs and advance the UK's climate change objectives at the WTO, with organisations like the OECD and WEF, and as part of the UK's upcoming G7 presidency.
- Explore further options to build on progress on Environment Goods and Services liberalization and ensure UK exports continue to be supported by the UK Global Tariff Schedule and Clean Growth Direct Lending Facility to create opportunities globally.
- UK Government will build on the findings of the Green Jobs TF, further develop the UK's understanding of the skills requirements to achieve our industrial decarbonization ambition and support education institutions and industry to deliver.
- Publish an update on the progress of the Strategy every year in the annual government response to the Climate Change Committee's progress report.

Action

BEAMA invites members to provide feedback on this strategy document. We will continue to digest the content of this and consult with members on work we take forward with government linked to key actions.

We will keep members informed via the dedicated part of the BEAMA Issues Forum [here](#).

BEAMA will be developing our work to ensure we can provide an effective link between government and BEAMA industries in delivering on the actions set out above. In the coming months/ years government will be looking to understand far better what barriers exist in preventing decarbonization of UK industrial sites and we hope we can provide a role in communicating this and solutions in supporting our members to meet net-zero targets.

Trade and Environment - the evolving picture

While great progress can be made in decarbonizing business and industrial activities, the 'last mile' in meeting Net-Zero will only be achieved by robust trading and regulatory requirements on goods, creating a fair and competitive environment for industry to decarbonize to net-zero and ensure the products we place on the market are compatible with a decarbonized economy.

With that in mind BEAMA will be working with our members on the associated developments in trade and product regulations which we see as inevitably driving net-zero within industry and this is clearly evident in the UK Industrial Decarbonisation Strategy. This includes material and resource efficiency requirements driven through product regulation, trade rules and emissions trading. All these areas are going to evolve in coming years and it will impact significantly on our member's businesses.

As a first issue here we map the current landscape of work ongoing to establish a carbon price for the trade of goods in the EU and other associated areas of work we are picking up.

CBAM – Carbon Border Adjustment Mechanism

Status

The European Parliament have adopted a resolution on a WTO-compatible EU carbon border adjustment mechanism (CBAM). This resolution underlines the EU's increased ambition on climate change must not lead to 'carbon leakage'. The principle of the CBAM hopes to ensure the progress on decarbonization in the EU does not move emissions to non-EU countries that have less ambitious targets and emission rules, and strives to establish a global level playing field and incentive for EU and non-EU countries to decarbonize in line with the Paris agreement objectives.

The announcement is march (press release [here](#)) supports the creation of a carbon price on certain goods imported from outside the EU, if these countries are no ambitious enough about climate change.

Impact

It is our understanding that the focus remains on clearly identifiable products such as raw materials, leaving complex products out of scope. It is understood that bringing products where there are many sources of supply for component into the system could lead to unfair treatment. It be in time more complex products are bought into scope of mechanisms like this but for now the focus is on 'simply' defined products and supply and match the EU ETS scope. This would therefore impact on members who may be importing raw material products into the EU for manufacturing.

The mechanism is set to be linked to a reformed EU Emissions Trading System (ETS). The scope of the CBAM will therefore cover all imports of products and commodities currently covered by the EU ETS. MEPs supporting the resolution added that by 2023 this should cover the power sector and energy intensive industrial sectors like cement, steel, aluminum, paper, glass, chemicals. Currently many of these sectors are permitted free allocations under the ETS system.

The amendment tabled by the EPP that would allow keeping free emission allowances under the ETS, which currently exempt EU industrial producers from paying the full price of their emissions, received support by a narrow majority of 344 in favour, with 329 against. The original report by Green MEP Yannick Jadot wanted their “parallel, gradual, rapid and eventual complete phasing out”. If EU industry can keep free allowances on top of a carbon border levy it could be a problem as World Trade Organization rules prohibit “double protection” of domestic producers.

Please find below the key messages of the report, which is not legally binding but provides an indication of the MEPs stance on this topic:

- supports the introduction of a WTO-compatible Carbon Border Adjustment Mechanism (CBAM) as it would create an incentive for European industries and EU trade partners to decarbonize their industries, and therefore support both EU and global climate policies towards GHG neutrality in line with the Paris Agreement;
- asks the Commission to propose, as a complement to the introduction of a CBAM, more ambitious and binding norms and standards on products placed on the EU market in terms of GHG emission reduction, resource and energy-savings, in support of the Sustainable Product Policy Framework and the new EU Circular Economy Action Plan;
- notes that a CBAM should cover all imports of products and commodities covered by the EU ETS, including when embedded in intermediate or final products; as a starting point already by 2023, and following an impact assessment, it should cover the power sector and energy-intensive industrial sectors like cement, steel, aluminium, oil refinery, paper, glass, chemicals and fertilisers.
- stresses that the modalities for the design of a CBAM should be explored alongside the revision of the EU ETS to ensure their complementarity and coherence, and avoid overlapping that would lead to double protection of EU industries;
- considers that in order to address the potential risk of carbon leakage while complying with WTO rules, the CBAM needs to charge the carbon content of imports in a way that mirrors the carbon costs paid by EU producers; stresses that carbon pricing under the CBAM should mirror the dynamic evolution of the price of Union allowances under the EU Emissions Trading System (EU ETS);
- is of the opinion that importers should buy allowances from a separate pool of allowances to the EU ETS, whose carbon price corresponds to the carbon price of the day of the transaction in the EU ETS;
- points out that a CBAM is compatible with WTO rules if it is designed with a clear environmental objective in mind to reduce global GHG emissions, and is ensuring the highest environmental integrity;

- emphasises that the CBAM should create a level playing field between EU domestic and foreign producers by applying an ETS-equivalent charge on the embodied carbon emissions of imported goods;
- stresses that, to avoid creating perverse climate effects by incentivising less efficient production methods for European exporting industries and ensure compatibility with WTO, any form of potential export support should be transparent, proportionate and not lead to any kind of competitive advantages for EU exporting industries in third countries, and that it should be strictly limited to the most efficient installations to maintain GHG reduction incentives for EU exporting companies;
- supports the Commission's intention to use revenues generated by the CBAM as new own resources for the EU budget; highlight however that the budgetary role of the CBAM should only be a by-product of the instrument. New revenues should allow for increased support to climate action, the just transition and decarbonisation of Europe's economy.

Action

BEAMA will continue to track this work through our EU trade Association Orgalim and keep members informed of this work via the dedicated part of our BEAMA Issues Forum [here](#).

Sustainable Finance

EU Taxonomy Regulation

Status

The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes the framework for the EU taxonomy by setting out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.

Impact

The Taxonomy Regulation establishes six environmental objectives

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Different means can be required for an activity to make a substantial contribution to each objective. The Taxonomy Regulation tasks the Commission with establishing the actual list of environmentally

sustainable activities by defining technical screening criteria for each environmental objective through delegated acts.

The **taxonomy regulation** empowers the Commission to adopt delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive.

The Commission services are currently preparing the first delegated act on Climate Mitigation and Adaptation taking into account the requirements of the Taxonomy Regulation. The delegated act will be accompanied by an impact assessment and should be adopted in the second half of April 2021. For the remaining 4 environmental objectives the taxonomy should be established by the end of 2021 and will apply by the end of 2022. The first company reports and investor disclosures using the EU taxonomy are due at the start of 2022, covering the financial year 2021.

Within the current draft delegated act and of particular interest to BEAMA members they classify a number of activities as an 'enabling' activity and one which would make a substantial contribution to climate change mitigation, these include:

- the manufacture of energy efficiency equipment for buildings
- manufacture of low carbon technologies
- Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications.
- Manufacture of respective components (battery active materials, battery cells, casings and electronic components).
- Electricity storage

The Commission will further adopt a delegated act by June 2021 specifying the information companies subject to the non-financial reporting directive will have to disclose on how, and to what extent, their activities align with those considered environmentally sustainable in the taxonomy.

The EU Taxonomy Regulation is a core part of the EU's Green Deal and as part of the COVID19 recover the focus is now on re-directing investments towards sustainable projects. It is anticipated this will create security for investors and protect them from greenwashing. The Commission is currently creating an IT tool to help companies navigate this new taxonomy system.

Action

The Commission is expected to adopt the final delegated act on 21 April, which will be then subjected to scrutiny in the European Parliament and EU Council.

For more information on the delegated acts please visit the BEAMA Issues Forum [here](#) where we have the current drafts available.

ACCTS - the Agreement on Climate Change, Trade and Sustainability

Status

The UK Government are currently deciding on whether to join the ACCTS and have been consulting with BEAMA on whether we would support and how this could be taken forward.

Impact

New Zealand, Costa Rica, Fiji, Iceland, Norway and Switzerland form the initial grouping of countries to negotiate ACCTS. Once initial negotiations on ACCTS conclude, the intent is that ACCTS will then be open for other WTO members to join, if they are able to meet the required commitments.

ACCTS recommendations would mean:

- **The removal of MFN tariffs on designated “environmental goods”** (potentially a number of those remaining tariffs post the UKGT);
- The establishment of new commitments for environmental services;
- The establishment of disciplines to eliminate harmful fossil fuel subsidies;
- Guidelines to inform the development and implementation of **voluntary additional eco-labelling programmes and mechanisms**.

ACCTS is still in negotiation so products this may effect are unknown – however previous lists used by the Green 100 and OECD etc have been very broad - encompassing pumps and valves, turbines and compressors, generators and gen sets, inverters, transformers and a wide range of lighting products.

We anticipate this is unlikely to make a huge difference to import tariffs as two thirds of environment goods are already 0 rated. However, the ACCTS may encourage other countries to low tariffs more than they have already which would be good for future environment goods exports. We are therefore supportive of the UK government joining ACCTS. We also don't expect this to conflict with EU requirements given the current ACCTS members, as listed above.

Action

BEAMA is minded to support the Government's step in joining ACCTS and welcome any feedback from members.

ENVIRONMENT AND WASTE

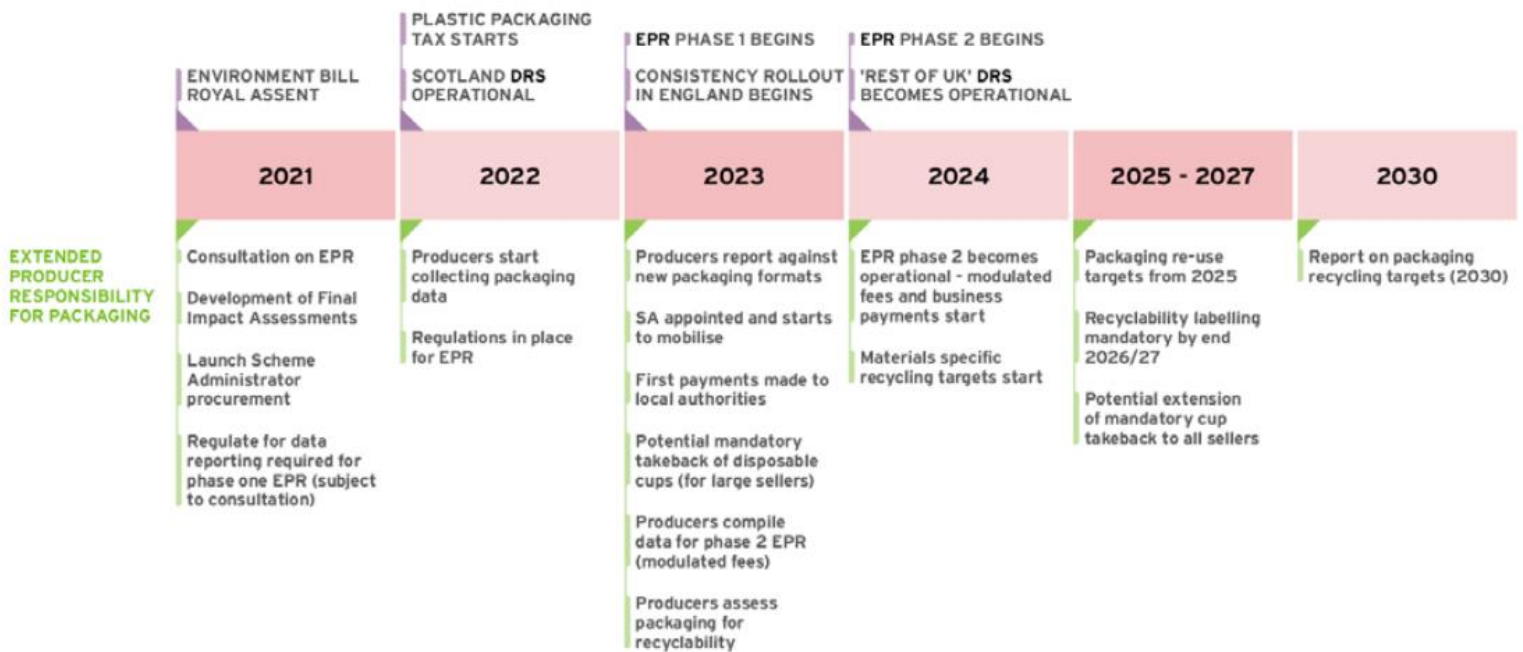
Consultation on Extended Producer Responsibility for packaging

Status

Defra has issued a consultation on Extended Producer Responsibility for Packaging. It states:

“This consultation focuses on specific policy proposals for its introduction, including the scope of full net costs, producer obligations, scheme governance, regulation of the scheme, and packaging waste recycling targets. The proposals set out in this consultation document work together to create a scheme that incentivises producers to design packaging that is easy to recycle and ensure that they pay the full net cost of managing this packaging once it becomes waste. This is in line with the polluter-pays principle.”

A timeline for implementation is as follows:



Impact

While partly focusing on consumer recycling - the sections that will gain most public attention – many of the consultation proposals will apply to all producers, and it does also include some specific measures for business waste, manufacturers and on some specific materials. It seeks to encourage manufacturers to use more sustainable packaging through modulated fees.

The consultation states:

“Revised estimates indicate that the annual packaging waste management costs that producers will be required to pay will be in the region of £2.7bn in the first full year of implementation, with £1bn of this related to packaging waste collected from households, £1.5bn for packaging waste collected from businesses, and £200m for the management of bin and ground packaging litter”.

It is important to note that some of these costs fall on consumer-targeted single use plastics such as disposable food packaging.

The consultation also proposes that mandatory recyclability labelling should be introduced on packaging as soon as is feasible and by end of 2026/27 at the latest.

Action

We are still working through the finer details of this hefty consultation. We will be holding a members' webinar briefing on this consultation around the end of April with a contact from Defra. We are currently liaising with Defra on a suitable date.

The deadline for responses is 4th June 2021. You can find the consultation documents [here](#). Please send comments to simon.harpin@beama.org.uk.

Treasury Packaging Tax

Status

We have responded to consultations on the Treasury's upcoming packaging tax, which is separate from the Defra EPR proposals detailed above. The tax is due to come into force in April 2022.

From 12 November 2020 to 7 January 2021 the government consulted on the draft primary legislation which provides the high-level details for the Plastic Packaging Tax (PPT). Following input from stakeholders, minor changes have been made to the legislation to provide further clarity on:

- when the 'last substantial modification' has taken place so it is clearer who must register for and pay the tax for packaging produced in the UK;
- the definition of "plastic packaging components";
- what is captured under the definitions of "plastic" and "recycled plastic";
- who must include statements of tax paid on invoices. This applies to imports of filled and unfilled plastic packaging, as well as UK manufactured packaging.

The legislation introduced in Finance Bill 2021 also includes a clause and Schedule on joint and several liability and secondary liability. Due to restrictions on government activity ahead of Budget on 3 March, the request for feedback on this part of the legislation had a short timeframe of one week. As this aspect of the tax should impact less businesses compared to the tax overall, the consultation on this legislation was shared with a limited number of stakeholders. A mix of trade bodies and individual businesses across the industries likely to be impacted were contacted, to get the appropriate reach needed within the timescales allowed.

Impact

The amended primary legislation for PPT has been introduced in Finance Bill 2021. The legislation sets out the key features of the tax, including:

- the £200 per tonne tax rate for packaging with less than 30% recycled plastic;
- the meaning of "plastic packaging", when packaging is in scope, and at what point packaging becomes chargeable;

- the registration threshold of 10 tonnes of plastic packaging manufactured in or imported into the UK per annum. Registration applies to all businesses above the threshold, regardless of whether their packaging contains less than 30% recycled plastic;
- the exemption for the immediate packaging of licensed human medicines;
- who will be liable to pay the tax and need to register with HM Revenue & Customs;
- how the tax will be collected, recovered and enforced;
- how the tax will be relieved on exports.

The Finance Bill 2021 is available to view on the UK Parliament website [here](#). The legislation for PPT is set out under Part 2 (clauses 42-85) and Schedules 9-15 in the Bill. An updated TIIN (Tax Information and Impact Note) for the tax has also been published and found on GOV.UK [here](#).

Action

The tax will take effect from 1 April 2022. Businesses involved in the manufacture, import or supply of plastic packaging should start familiarising themselves with PPT. They can do this by reading BEAMA briefings on the tax [here](#), the high-level details of the tax set out in the Summary of Responses to the policy consultation in 2020 on GOV.UK [here](#), as well as the primary legislation in Finance Bill 2021 linked above. The government is continuing to work with industry, to develop further regulations and guidance to help implement the tax, and we have asked Treasury to join a webinar to brief BEAMA members directly. Secondary legislation and guidance giving more detail will be available in due course and updated iteratively throughout the year to help businesses prepare for the introduction of the tax.

UK WEEE Review

Status

We are now expecting a UK review of WEEE in Q2 2021. This will entail a formal consultation, with possible subsequent consultations. Defra has been consulting with key stakeholders including BEAMA to get their initial feedback on proposals and the types of criteria that might be applied for our products.

A BEAMA environment policy meeting was held on the 23rd February ([slides available here](#)) with Defra presenting more on their initial thinking to members. Key proposals under consideration are:

Encouraging collections

- Doorstep collections
- Enhancing retailer and internet sellers take back obligations

Encouraging reuse

- Modulating reuse evidence to give it a higher weighting than recycling evidence
- Strengthening - or adding new - reporting obligations for Local Authorities and retailers to report amount of WEEE they divert from waste system for reuse

Tackling free-riding

- Making online marketplaces financially and legally responsible for their EEE, eg by them joining a producer compliance scheme

Eco-modulation

- Incentivise circularity by reducing obligations for products that includes aspects of, for example:
 - Spare part provision
 - Provision of warranty
 - Recycled content
- Consultation will act as a 'call for evidence' on eco-modulation
- Subsequent consultation will be needed ahead of any measures being introduced

Improving the B2B system

- Commissioned research to fill knowledge gaps on B2B WEEE flows
- Considering options proposed by industry
- Consultation will likely be a call for evidence on the B2B system rather than setting out clearer policy options

Impact

We are aware that some products may not be able to design in repairability and re-use for example for safety reasons. It is important that we push for proportionate and fair regulations so that products falling into these categories are not subject to greatly increased fees. We have had some case studies from members but would welcome more so we can gauge the types of products that may struggle to apply repairability safely and feed back to Defra.

Action

It is early stages in the UK Government review, but BEAMA has already developed some case studies for Defra to consider in developing more product specific criteria for eco-modulation, and has submitted a paper to Defra based on comments from members. We are also working with other trade associations to develop a joint industry position on producers' priorities for a WEEE Review. You can find this draft paper [here](#). Please send any comments or evidence you would like us to consider ahead of the formal consultation to simon.harpin@beama.org.uk.

Additional UK WEEE updates

Status

WEEE Compliance Fee

The WEEE Compliance Fee for 2020 has been confirmed. The UK Waste Electrical and Electronic Equipment (WEEE) Regulations 2013 establish a system in which producers of equipment are required to finance the cost of collection, treatment, recovery and recycling of WEEE arising from private households. The WEEE Regulations establish a system of annual collection targets that are

imposed on producer compliance schemes (PCSs). The Secretary of State has discretionary powers to approve a compliance fee methodology as an alternative form of compliance payable by PCSs that fail to achieve their collection target.

Defra has responded to its consultation to confirm that there will be a compliance fee for 2020, and out of two proposals it will use that from the JTA. The JTA (Joint Trade Association) is a group of trade bodies, including BEAMA, and works with compliance schemes. Ministers accepted this proposal subject to one modification which was agreed between the JTA and Defra - the 'surplus escalator' should be reintroduced to the proposal in addition to the normal escalator. The JTA's proposal also seeks to take into account the impact of Covid-19 on collection rates.

You can download the JTA's proposal [here](#).

You can access more information about WEEE [here](#).

Draft WEEE Collection Targets

The 2013 WEEE Regulations require the Secretary of State to set the tonnage of household WEEE collections falling within each category of Electrical and Electronic Equipment (EEE) that is to be financed by producers via their membership of a Producer Compliance Scheme (PCS). [This paper](#) sets out draft targets on which Defra welcome stakeholder views and any supporting evidence prior to putting recommendations to ministers.

PLEASE NOTE Defra have said this can only be shared with Joint Trade Association members (which include BEAMA) so this is not for wider circulation.

We will circulate the final paper when complete.

Consultation on Waste Prevention

Status

Defra has issued a consultation on waste prevention. It has a section on electrical and electronic products, but mainly asks questions about actions that have already been pledged (such as the upcoming WEEE review, due later this year, on which we have briefed members and engaged with Defra).

Impact

For EEE it states its aim as: "to increase levels of collection of Waste Electronic and Electrical Equipment, increase reuse, repair and remanufacture of electronic and electrical products and develop options to design out waste using ecodesign principles."

To meet this Defra has listed several actions that have already been pledged elsewhere, and asks whether these will be sufficient to meet its aim:

- Review the WEEE Regulations in 2021
- Work towards improving systems of collection of WEEE for repair and reuse
- Use public procurement

- Work with BEIS on future implementation of minimum ecodesign requirements in Great Britain
- Develop proposals to provide consumers and businesses with information on the durability, reparability and recyclability of the products they buy

Action

The consultation is open until 10th June. We expect to build a response comments gathered previously from members on the topics covered. Please send any additional comments to simon.harpin@beama.org.uk.

EU Sustainable Products Initiative

Status

The EU's new Circular Economy Action plan has been published and can be downloaded [here](#). We have provided summaries in your previous briefings. BEAMA has also worked with Orgalim to contribute to a position paper which you can find [here](#).

A range of actions is now following from the plan, notably a consultation on a Sustainable Products Initiative. The consultation sets out the main policy options for the Sustainable Products legislative initiative which is expected by the end of this year.

- The SPI will aim to make products fit for a climate neutral, resource efficient and circular economy, reduce waste and ensure that the performance of frontrunners in sustainability progressively becomes the norm. As announced in the new CEAP, the core of the SPI will be to **widen the scope of the Ecodesign Directive beyond energy-related products** so as to make it applicable to the broadest possible range of products (including services where appropriate) and make it deliver on circularity.
- The Commission committed to consider such amendments to the Ecodesign Directive, and, where appropriate, complementary legislative proposals, to **regulate the following sustainability aspects**: product durability, reusability, upgradability and reparability; the presence of hazardous chemicals in products; energy and resource efficiency; recycled content in products; remanufacturing and high-quality recycling; carbon and environmental footprints; restrictions to single-use and premature obsolescence; a ban on the destruction of unsold durable goods; circular business models; digitalisation of product information and ways to reward the most sustainable products.
- It will also strengthen information requirements and establish a **digital product passport** that gathers data on a product along its value chain, among other things on environmental characteristics, repair and upgrade instructions, presence of hazardous chemicals, reusability, recycled material content, recycling, and correct disposal and waste stream information, so as to enable consumers and businesses to understand the composition and properties of products, and enable compliance authorities to better fulfil their duties (see detailed list below).
- **Priority products** under the Sustainable Product Policy legislative initiative identified in the CEAP are **electronics, ICT**, textiles, furniture and high-impact intermediary products such as steel, cement and chemicals. Further product groups are to be identified based on their environmental impact and circularity potential. The Commission will also seek to increase the effectiveness of the current Ecodesign framework for energy-related products, including

through the Ecodesign and Energy Labelling Working Plan 2020-2024.

Impact

The core of the Sustainable Product legislative Initiative will widen the scope of the Ecodesign Directive beyond energy-related products so as to make it applicable to the broadest possible range of products (including services where appropriate) and make it deliver on circularity. As such this programme of work may have a very significant impact on BEAMA members selling into the EU.

Action

The deadline to respond to this consultation is 9 June 2021. You can find the consultation questionnaire from the Commission [here](#). Orgalim will respond to this consultation and while the deadline for initial comments to Orgalim has passed, BEAMA will continue to contribute to its response. Please send comments to simon.harpin@beama.org.uk.

As reminder, Orgalim's detailed position paper on the CEAP published in October 2020 is available [here](#) and the related executive summary is [here](#). Please find also [Orgalim comments and proactive recommendations on the Sustainable Products Initiative \(SPI\)](#) submitted to the Commission in November 2020 when they launched a consultation on the SPI Roadmap (it is a copy and paste of the "sustainable products" chapter of the CEAP Position Paper).

European Standards – Energy-related products - Material Efficiency Aspects for Ecodesign – M/543

Status

M/543 'Standardisation request to the European standardisation organisations as regards ecodesign requirements on material efficiency aspects for energy-related products was issued by the European Commission to CEN and CENELEC on 2015-12-17 (C(2015) 9096) and accepted by CEN and CENELEC on 2016-01-08.

The work programme was assigned to a new CEN and CENELC Joint Technical Committee 10 (CEN-CLC/JTC 10). JTC10 has 6 Working Groups that are responsible for the development of the standardisation deliverables:

- WG 1 Terminology
- WG 2 Durability
- WG 3 Ability to repair, reuse and upgrade energy-related products
- WG 4 Ability to remanufacture and method for determining the proportion of reused components in energy-related products
- WG 5 Ability to recycle and recover energy-related products, recycled material content of energy-related products
- WG 6 Documentation and/or marking regarding information relating to material efficiency of the product

In addition to experts nominated to the WGs by National Committees of CEN and CENELEC (BSI for UK), participants from other CEN and CENELEC TCs and other stakeholders (ANEC, APPLiA, CEMEP, DigitalEurope, ECOS, EERA, EHI, EPEE, ETUC, EUROFER AISBL, EUROMETREC, European Aluminium, Eurovent, EVIA, Glass for Europe, LightingEurope) are also involved.

The deliverables being developed are of a horizontal nature and not product specific. The main intention is for these deliverables to be used as a guide by product specific Technical Committees when producing product specific deliverables on material efficiency aspects.

Standard (Deliverable)	Revised Title or provisional title	Part(s) of the mandate covered	Planning/ publication
TR 45550	Definitions related to material efficiency	Common Terms and their definitions	Published in Dec-2020
EN 45552:2020	General method for the assessment of the durability of energy-related products	Definition of parameters and methods relevant for assessing durability, upgradability and ability to repair, re-use and re-manufacture of products	Published in Mar-2020
EN 45553	General method for the assessment of the ability to remanufacture energy-related products	Definition of parameters and methods relevant for assessing durability, upgradability and ability to repair, reuse and remanufacture of products Ability to access or remove certain components, consumables or assemblies from products to facilitate repair or remanufacture or reuse	Published in Jul-2020
N 45554:2020	General methods for the assessment of the ability to repair, reuse and upgrade energy-related products	Definition of parameters and methods relevant for assessing durability, upgradability and ability to repair, reuse and remanufacture of products Ability to access or remove certain components, consumables or assemblies from products to facilitate repair or remanufacture or reuse Reusability/recyclability/recoverability (RRR) indexes or criteria, preferably taking into account the likely evolution of recycling methods and techniques over time	Published in Feb-2020
EN 45555:2019	General methods for assessing the recyclability and recoverability of energy-related products	Ability to access or remove certain components or assemblies from products to facilitate their extraction at the end-of-life for ease of treatment and recycling Reusability/recyclability/recoverability (RRR) indexes or criteria, preferably taking into account the likely evolution of recycling methods and techniques over time Use and recyclability of Critical Raw Materials to the EU, listed by the European Commission	Published in Nov-2019
EN 45556:2019	General method for assessing the proportion of reused	Method to assess the proportion of reused components and/or recycled materials in products	Published in Jun-19

	components in energy-related products		
EN 45557:2020	General method for assessing the proportion of recycled material content in energy-related products	Method to assess the proportion of re-used components and/or recycled materials in products	Published in Apr-20
EN 45558:2019	General method to declare the use of critical raw materials in energy-related products	Use and recyclability of Critical Raw Materials to the EU, listed by the European Commission	Published in Mar-19
EN 45559:2019	Methods for providing information relating to material efficiency aspects of energy-related products.	Documentation and/or marking regarding information relating to material efficiency of the product taking into account the intended audience (consumers, professionals or market surveillance authorities)	Published in Mar-19

Impact

Whilst these deliverables are not intended to be used directly, once available it is likely that manufacturers of Energy-related Products as defined by the Ecodesign framework, will start using these deliverables to support claims of material efficient products.

It is expected that future Implementing Measures issued by the EU COM under the Ecodesign framework will include material efficiency aspects. Once these IMs are published, products concerned will need to meet these material efficient aspects which could mean having to redesign products taking into consideration a minimum durability period, ease of repair, ease of reuse and ease of recyclability. Use of recycled materials (parts, components, etc) will also need to be considered.

Action

BEAMA continues to track the final standards in development and will then be working through our EU associations as and when the development of product specific criteria under Ecodesign are developed. We are also in discussions with Defra how these standards can form a basis to ensure any future UK requirements under WEEE and additional resource efficiency measures are compatible and harmonised with EU standards and regulations.

The working groups have already begun looking at amendments to the published standards addressing some of the comments that were not taken into account.

For more information on the Standards, please contact BEAMA technical lead on this topic Raj Vagdia, Technical Director (Raj.Vagdia@beama.org.uk).

International Standards – Circular Economy and Material Efficiency

Status

Following the publication of the European Standards on material efficiency aspects, the IEC committee on environmental standardization for electrical and electronic products and systems (IEC/TC111) is looking at initiating work on material efficiency aspects.

“IEC 63333 ED1 General method for assessing the proportion of reused components in products”, based on EN 45556:2019, has been drafted as a new international standard. This document provides general methods for assessing the proportion of reused components in products. Four calculation methods based on mass of reused components and the number of reused components are presented. Other methods may exist and be more suitable for certain products or product-groups.

You can find the document [here](#). While the deadline for comments has passed, we will keep members informed of progress.

Impact

This document is intended to be used by manufacturers that want to assess the proportion of reused components in their products. It can be also used by technical committees when developing assessment methods dedicated to their product or product-group publications.

As UK Government is preparing various proposals on requirements for circularity in products, we will discuss with them their views on the role of international standards.

Action

BEAMA will continue tracking this international work and seek member feedback at appropriate stages. We are also interested in how BEAMA members demonstrate circularity within their products, and would therefore be interested in any case studies relating to this or other standards.

For more information, please contact BEAMA technical lead on this topic Raj Vagdia, Technical Director (Raj.Vagdia@beama.org.uk).

REACH

BEAMA will now be reporting on both EU and UK REACH, and tracking both regulatory frameworks through the BEAMA Issues Forum. In time we are developing the issues forum to provide dedicated sections for both UK and EU REACH enabling our members to track any eventual divergence between the two.

From day one of UK exit from the European Union both frameworks are the same, but we are aware that there is a role for government and industry to work together to ensure ongoing regulatory ‘co-operation’ between the EU and UK. As your trade association we will work to ensure you are made aware of any future changes to both EU and UK REACH.

In light of this BEAMA is taking on the chair role of the UK Cross Sector REACH group. BEAMA Director of Policy and Marketing, Yselkla farmer, will step into the role of chairing this group this year. This is a collective group of trade associations and organisations across the chemicals industry which has in recent years ensured a key link between industry and DEFRA on EU REACH matters. The terms of reference for this group have now been agreed to provide a focus for both EU and UK REACH and it is intended it will therefore provide an important role in ensuring regulatory co-operation and working closely with DEFRA in the development of an effective UK REACH regulatory framework. We anticipate this will be a significant area of work in coming months and years.

UK REACH

Status

UK REACH, the UK's independent chemicals regulatory framework, came into force on 1st January 2021.

Impact

Businesses which make, sell or distribute chemicals into Great Britain will need to follow the UK's new domestic chemicals regulations including UK REACH from tomorrow 1 Jan 2021. Guidance is available on how to comply with the EU and UK REACH chemical regulations when using, making, selling or importing chemicals in the UK and in the EU: <https://www.gov.uk/guidance/how-to-comply-with-reach-chemical-regulations>

Detailed UK REACH guidance is also available on the [Health and Safety Executive website](#).

The '[Comply with UK REACH](#)' system can be used by business to fulfil their transitional provisions and create new registrations.

Action

BEAMA invites members to continually provide feedback on how they are experiencing the new regulatory framework in the UK and compliance obligations. If there are any issues with government guidelines we urge members to let us know as we are in touch with departments on a regular basis and can seek clarifications where needed.

EU REACH updates

Status

The EU Chemicals Strategy for Sustainability sets out a plan for the revision of the REACH regulation. (reforming the REACH authorization and restriction processes based on key findings from its practical implementation, amending REACH information requirements). Legal proposal to review the REACH Regulation, in the most targeted way possible, will be made on the basis of public consultations and subject to comprehensive impact assessments, expected in 2021 but there is no clear timeline.

BEAMA provide regular updates on EU REACH authorisations and restrictions, an overview of recent updates regarding authorisations is provided below but all can be read via the dedicated part of the BEAMA Issues Forum [here](#).

Impact

REACH Review

There are 16 Actions identified in the European Commission "[General Report on the operations of REACH and review of certain elements](#)", 6 of which are highlighted as a priority for industry and that form a focus for the work we take forward in Orgalim.

- REACH review action 4 - Tracking substances of concern in the supply chain

- REACH review action 5: Promote substitution of SVHCs
- REACH review action 6: Simplification for a more workable authorisation process)
- REACH review action 7: Early socio-economic information for possible regulatory measure
- REACH review action 10: Frame the application of the precautionary principle
- REACH review action 11: Interplay between authorisation and restriction

Authorisations granted for uses of chromium trioxide

The European Commission has granted authorisations for uses of **chromium trioxide** (EC 215-607-8, CAS 1333-82-0) (review period expiry dates in brackets) for:

- three uses by REACHLaw Ltd. (21 September 2024); [summary in Official Journal](#);
- one use by Cromomed S.A., Cronor S.A., Cromo Europa S.A., Chromatlantique Industriel S.A. and Vila Electroquímica S.A. (21 September 2024); [summary in Official Journal](#); and
- five uses by Chemservice GmbH, Atotech Deutschland GmbH, Boeing Distribution Inc., Prospere Chemical Logistic OÜ, CROMITAL S.P.A., Elementis Chromium LLP and MacDermid Enthone GmbH (21 September 2024); [summary in Official Journal](#).

Authorisation granted for one use of trichloroethylene

The European Commission has granted an [authorisation](#) for one use of **trichloroethylene** (TCE) (EC 201-167-4, CAS 79-01-6) by SPOLANA s.r.o with a review period expiry date on 21 April 2032.

Action

BEAMA continues to monitor EU Reach and provide monthly updates via the dedicated part of the BEAMA issues forum [here](#).

EU SCIP Database

Status

Since 5 January 2021, companies are obliged to provide ECHA with information on articles containing substances listed in the REACH candidate list (“Substances of Very High Concern” (SVHC)) in a concentration above 0.1% weight by weight (w/w).

UK Government has decided not to implement an equivalent database in the UK for the time being.

Impact

1. **German Legal challenge to ECHA on SCIP compliance:**
 - German trade bodies have supported a legal challenge to ECHA. the below is an update through our EU association Orglim and should not be used as legal basis for any decision making within your company but is published as steer as to the

conversations other countries are having with ECHA and the Commission on challenges related to compliance with the new SCIP database.

- No clear authority can be derived for ECHA to independently define additional requirements beyond the requirements of Article 33(1) of the REACH Regulation.
- reasonable doubts as to the compatibility of the mandatory fields specified by ECHA and several general principles of European law. Under the conditions provided for this purpose in Art. 263 TFEU, an action for annulment of the mandatory fields specified by ECHA is conceivable.
- given that suppliers had no opportunity to enter data before end of October 2020, the commencement of the requirement as of January 5, 2021 set out in Art. 9(1)(i) of the Waste Framework Directive appears no longer compatible with the principle of protection for reliance on the legal situation originally envisaged, which is also inherent in EU law.

2. Latest news from ECHA:

- ECHA has already received **6.6 million notifications** from around 3 000 legal entities.
- ECHA has published **advice on oversized SCIP dossiers** (dossiers with more than 1 000 components). Moreover, the main **SCIP user manual “Requirements for SCIP notifications”** will be available in 23 official EU languages in the coming days (see attached ECHA’s email).

3. Latest news from the Commission

- The European Commission has [notified](#) the **SCIP amendment of the WFD to the WTO** on 3 February 2021, more than 2 years after the Directive became effective

Action

Members have informed BEAMA that we should continue to monitor the development of the SCIP database and we will do so in providing regular updates via the dedicated BEAMA Issues forum [here](#).

BEAMA invites members to continually keep us informed of your experience in complying with this new legal obligation. Specifically, we would like to hear about issues with software compatibility and upload, if they still persist, as we are in continually dialogue with our EU association Orgalim on tracking issues with the database and reporting these to ECHA. We are also keen to hear of your general experience in complying with the database.

Proposal to classify in CLH & REACH

Status

CLH is the EU harmonised classification & labelling system for hazards of highest concern. A recent initial consultation proposed silver is classified by ECHA as reprotoxic category 1B. You can find further details [here](#).

Impact

This process could result in listing of silver in REACH & authorisation.

Action

Further assessment is now being undertaken until March 2022. We will keep members updated of progress.

If members have any specific concerns, or wish to share with us any case studies of the possible impact of this development, please contact simon.harpin@beama.org.uk.

EU Chemicals Strategy

Status

The European Commission published a [chemicals strategy for sustainability on 14 October 2020](#). It is part of the EU's zero pollution ambition, which is a key commitment of the European Green Deal.

In mid-March the European Council adopted their position on the EU Chemicals Strategy and called for the Commission to implement without delay.

Impact

The new strategy will include targeted amendments to streamline EU chemicals legislation, substituting and minimising substances of concern and phasing out the most harmful chemical for non-essential societal uses.

Key points:

- **the concept of 'essential uses':**
 - Is a key element in the implementation of the Chemicals Strategy that will receive priority attention in order to make it operational without undue delay
- **'substances of concern':**
 - The Council calls on the Commission to develop without undue delay, in cooperation with the Member States and in consultation with the stakeholders, harmonised, clear and precise definition, criteria or principles in order to have legal certainty and a common understanding among all parties
 - The Council underlines the importance of phasing out the substances of concern in products and recycled materials
- **PFAS:**
 - The Council underlines that PFAS require special attention since they pose threats to human health and the environment, and the need to ensure that they are eliminated, unless their use is proven essential to society
- **REACH review:** the Council expressly supports the announced amendment of the REACH Regulation in a targeted manner, accompanied by a comprehensive impact assessment, so as to ensure that the changes will not weaken REACH, nor lower the level of protection already accomplished, or affect the rights of Member States to initiate and influence actions taken under this Regulation.
- **"one substance-one assessment" approach:** The Council calls on the Commission to provide further information on the design and the implementation of this approach; which should not create delays in regulatory actions nor increase the administrative burden. Therefore,

ministers emphasized the need to involve the Member States closely in the development of this approach and to maintain the Member States' rights under any legislation, in particular REACH and CLP Regulations, to initiate regulatory action.

- **'safe and sustainable-by-design chemicals'**:
 - The Council calls on the Commission to develop without undue delay, in cooperation with the Member States and in consultation with the stakeholders, harmonised, clear and precise definition, criteria or principles in order to have legal certainty and a common understanding among all parties
 - The Council supports the safe and sustainable-by-design approach and the extension of the generic approach to risk management for the most harmful substances

Action

BEAMA will continue to monitor the implementation of the EU chemicals strategy and associated REACH review through our EU trade association Orgalim. For further information on this and other related updates on chemicals please visit the BEAMA issues forum [here](#).

Updated RoHS guidance

Status

New guidance was published in February on how to apply for exemptions under the RoHS regulations in the UK. This can be downloaded [here](#).

Impact

If you manufacture, import or distribute electrical and electronic equipment (EEE) for the Great Britain market you're responsible for ensuring that levels of certain hazardous substances and chemicals are not exceeded.

You can read a [list of restricted substances and find out how to comply with the rules](#). This guidance sets out how to apply for a new exemption to use a restricted substance provided it meets certain criteria.

[Please click here](#) for information on:

- checking exemption criteria
- researching and preparing to apply
- how to apply and link to application form
- what will happen after your application
- how to renew, change or delete an exemption

Action

BEAMA members should ensure they are compliant with the new rules in the UK. BEAMA invite members to provide feedback on how they are dealing with the new requirements in the UK and to let us know if any clarifications on guidance is needed.

OPSS Alert – RoHS – Typo for Cadmium concentration

Status

There was a typo in UK RoHS regulation which determines the wrong concentration value for Cadmium. This is to be amended.

Impact

E-Alert relating to Legislation number: 2020 No.1647 - The Hazardous Substances and Packaging (Legislative Functions and Amendment) (EU Exit) Regulations 2020 SCHEDULE A1:

The concentration value of Cadmium, currently given as 0.1% instead of 0.01% in Schedule A1 of SI 2020 No.1647, is a typographical error.

Action

A formal amendment to correct the error will be implemented shortly

You should, therefore, continue to work to the 0.01% threshold for Cadmium under the RoHS Regulations.

Proposal to list some chlorinated paraffins as persistent organic pollutants in the UK

Status

Update from Defra provided as below:

"The UK is party to the Stockholm Convention on POPs, which are substances that persist in the environment, accumulate in living organisms and pose a risk to our health and the environment. They can be transported by air, water or migratory species across international borders, reaching regions where they have never been produced or used.

"There is a process for parties to propose a substance for listing if they have gathered evidence that suggests it may be a POP. Since the mid-1990s the UK has led the scientific assessment of chlorinated paraffins. This resulted in a ban on short-chain chlorinated paraffins (SCCPs) in 2000. We now have further evidence that some components of medium-chain chlorinated paraffins (MCCPs) have similar harmful properties and are considering submitting a proposal to list chlorinated paraffins with carbon chain lengths in the range C₁₄₋₁₇ and chlorination levels ≥45% chlorine by weight to the Stockholm Convention this year. This substance is used predominately in PVC, polymers, rubber, sealants, adhesives, metalworking fluids, paints, textiles and paper products. If accepted the process of further assessment, discussion and listing is likely to take 4 to 5 years.

"In accordance with Article 15 of the UK POPs regulation the Secretary of State for Environment, Food and Rural Affairs must publish a notice relating to the proposal and invite interested parties to submit comments about the notice within 8 weeks. This draft of the proposal to list the substance explains why we consider the substance meets the Stockholm Convention screening criteria. It may be amended as a result of further evidence gathering and comments received.

"You may submit information to support or critique the proposal for listing. Information can relate to anything, for example:

- the substance identity
- the manufacturing
- placing on the market and use of the substance
- hazards to human health or the environment
- monitoring data
- exposure scenarios
- environmental emissions

"Although this will be an opportunity to provide this information at a later stage, we would also be interested in any information on risk management measures, alternatives, costs and benefits related to the use of the substance and well justified requests for exemptions if no alternatives are available."

Prime Minister's 10-point plan

Status

Government announced a [10-point plan](#) for a 'green industrial revolution'. This sets out ambitions relevant to many BEAMA sectors. The plan has a view to creating jobs as well as making progress to net-zero emissions, but Government has acknowledged it is not a full solution for net-zero. The involvement of the Prime Minister in the announcements has ensured a bigger media reach than usual for climate change policy, hopefully resulting in an increase in public awareness. There is little detail, but some issues were picked up in the Energy White Paper (see below), and we expect this will be built on by forthcoming publications Heat & Buildings Strategy and Transport Decarbonisation plan. Some of the announcements and funding have been made or hinted at previously, and not all will be funded directly by Government, with Ministers seeking a greater role for industrial and financial investment.

Impact

Below we have quoted the reports on the ten steps and included BEAMA comments.

1. Offshore wind: Produce enough offshore wind to power every home in the UK, quadrupling how much it produces to 40 gigawatts by 2030, and supporting up to 60,000 jobs.

BEAMA Comment: Government should consider both the expected electrification of heat and transport for homes in its projections for how much renewable power will be needed. The Energy White Paper should also set out how our electricity networks will be upgraded.

2. Hydrogen: Have five gigawatts of "low carbon" hydrogen production capacity by 2030 - for industry, transport, power and homes - and develop the first town heated by the gas by the end of the decade.

BEAMA Comment: Government should ensure that there are better standards for heating systems as there are substantial energy savings available through better controls and system commissioning that could dramatically reduce the amount of hydrogen that will need to be produced, as well as providing immediate energy efficiency benefits. The introduction of hydrogen infrastructure needs to be accompanied by plans for the introduction of hydrogen ready boilers to ensure consumers don't need to replace their boilers when hydrogen becomes available. All Hydrogen generation must be clean to ensure we do not end up with expensive but short-lived transition technologies.

3. Nuclear: Pushing nuclear power as a clean energy source and including provision for a large nuclear plant, as well as for advanced small nuclear reactors, which could support 10,000 jobs.

BEAMA Comment: Any changes to generation must be accompanied by improvements to electricity networks and to making our grid and homes more responsive to demand. HMT should set out in its forthcoming net-zero review how the costs of new infrastructure will be distributed fairly.

4. Electric vehicles: Phasing out sales of new petrol and diesel cars and vans by 2030 to accelerate the transition to electric vehicles and investing in grants to help buy cars and charge point infrastructure.

BEAMA Comment: BEAMA welcomes the Government's announcement to bring forward the end date for new petrol or diesel powered vehicles to 2030. We are proud to support our members in the design, development and roll out of the network and charging infrastructure that are essential to the electrification and decarbonization of road transport. Government should also address the investment and innovation necessary in power networks to support the charging infrastructure.

BEAMA is leading the EV Energy Taskforce Working Group on smart charging and cyber security, supporting industry to make the electrification of road transport a reality.

5. Public transport, cycling and walking: Making cycling and walking more attractive ways to travel and investing in zero-emission public transport for the future.

BEAMA Comment: The proportion of electrified rail network must be increased above the current 38% to meet net-zero goals.

6. Jet zero and greener maritime: Supporting research projects for zero-emission planes and ships.

BEAMA Comment: This must be supported by electrification of ports and airports, remembering these key enabling steps and infrastructure as part of any net-zero plan.

7. Homes and public buildings: Making homes, schools and hospitals greener, warmer and more energy efficient, including a target to install 600,000 heat pumps every year by 2028.

BEAMA Comment: A large majority of the 600,000 will need to come from retrofitting existing homes, so we must begin now to prepare buildings, prepare the supply chain and prepare consumers. Enabling improvements to homes such as controls, ventilation and electrical infrastructure must support the change of heat source, as set out in BEAMA's new [Future Ready Homes paper](#). Many more skilled installers and advisers are needed. Key trigger points for consumers to change their home heating must be identified and communicated to householders with advice as soon as possible, allowing them to plan for the future. Government should announce further details in its Heat & Buildings Strategy, acknowledging that the slow rate of change delivered by Building Regulations may make new build a relatively small part of the answer. The extension of the Green Homes Grant also gives an opportunity to boost the trained installer base in the short term that must now be seized.

8. Carbon capture: Developing world-leading technology to capture and store harmful emissions away from the atmosphere, with a target to remove 10 million tonnes of carbon dioxide by 2030 - equivalent to all emissions of the industrial Humber.

BEAMA Comment: Government should learn from its stop-start policy on CCUS over the past decade, and ensure that new targets and pledges on all net-zero topics are followed through and consistent.

9. Nature: Protecting and restoring the natural environment, with plans to include planting 30,000 hectares of trees a year.

BEAMA Comment: We support adopting a wide range of measures to tackle climate change, as the outlook in some areas remains uncertain. Government must remember that if policy fails in several other areas, there is a limit to how far planting trees can offset continuing emissions.

10. Innovation and finance: Developing cutting-edge technologies and making the City of London the global centre of green finance.

BEAMA Comment: BEAMA has been encouraged by the recent increased attention on green finance. This includes the collaboration within the Green Finance Institute, where BEAMA is contributing to creating recommendations and trials of new finance offerings.

Action

We sent out comments out publicly as a press release, and will remain engaged with Government. We have had more Ministerial and political engagement recently, as we see greater interrelation of economic and energy policy.

Spending review and infrastructure strategy

Status

In late November Government published a 12-month Spending Review, economic outlook, and new Infrastructure Strategy (which we will need to review in more detail in due course). Many of the spending pledges add detail to Prime Minister's Ten Point Plan published the previous week, meaning there are few funds not previously announced in key BEAMA sectors. You can find the Government documents [here](#) and [here](#).

Impact

Key measures across the documents are:

Transport

- £950 million to support the rollout of rapid electric vehicle (EV) charging hubs at every service station on England's motorways and major A-roads (presumably delivered through the existing Rapid Charging Fund)
- £582 million for the Plug-in Car, Van, Taxi, and Motorcycle Grant until 2022-23
- £275 million to extend support for charge point installation at homes, workplaces and on-street locations, while reforming these schemes so that they target difficult parts of the market such as leaseholders and small and medium-sized enterprises (SMEs)
- £90 million to fund local EV charging infrastructure to support the roll out of larger on-street charging schemes and rapid hubs in England
- NB a new Transport Decarbonisation Plan is due soon.

Networks

- Infrastructure strategy includes some welcome words: the energy system "will require increased investments in network infrastructure, sources of flexibility, such as interconnection, demand response and storage and enough low carbon generation capacity to provide the vast majority of the UK's electricity needs"

- “The government will review the right long-term role and organisational structure for the Electricity System Operator, in light of the reforms to the System Operator instituted in April 2019”
- NB an Energy White Paper is due soon which will give further details on changes to the energy system.

Heat & Buildings

- £475 million to make public buildings greener
- £150 million to help some of the poorest homes become more energy efficient and cheaper to heat with low-carbon energy
- £60 million to retrofit social housing (presumably through the existing social housing demo fund)
- Future Homes Standard now pledged in the “shortest possible timeframe before 2025” – an early draft of the Ten Point Plan had it moved to 2023.
- NB a new Heat & Buildings Strategy is due soon.

General

- New Infrastructure Bank, to co-invest alongside private sector in infrastructure projects, and with an objective to help progress to net-zero
- £7.1bn national home building fund
- Faster broadband for 5m premises
- £4bn levelling up fund to fund according to bids by local areas, delivered by MHCLG, HMT and DfT

Action

We sent out comments out publicly as a press release, and will remain engaged with Government. We have had more Ministerial and political engagement recently, as we see greater interrelation of economic and energy policy.

Energy White Paper

Status

The Government has published its long-awaited Energy White Paper. This sets out a vision for decarbonisation that has a boost to investment and protection for consumers as key principles.

You can find the White Paper [here](#) and a host of other documents published [here](#).

The core parts of the Energy White Paper are:

1. Supporting up to 220,000 jobs in the next 10 years. This includes long-term jobs in major infrastructure projects for power generation, carbon capture storage and hydrogen, as well as a major programme of retrofitting homes for improved energy efficiency and clean heat.
2. Transforming the UK's energy system from one that was historically based on fossil fuels to one that is fit for a net zero economy, changing how we heat our homes and travel, doubling our electricity use, and harnessing renewable energy supplies.
3. Keeping bills affordable for consumers by making the energy retail market truly competitive. This will include offering people a simple method of switching to a cheaper energy tariff, and testing automatically switching consumers to fairer deals to tackle "loyalty penalties".
4. Generating emission-free electricity by 2050 with a trajectory that will see us have overwhelmingly decarbonised power in the 2030s. Low carbon electricity will be a key enabler of our transition to a net zero economy with demand expected to double due to transport and low carbon heat.
5. Establishing a UK Emissions Trading Scheme (UK ETS) from 1 January 2021 to replace the current EU ETS at the end of the Transition Period. It increases ambition on reducing emissions, and provides continuation of emissions trading for UK businesses and certainty on how they operate.
6. Continuing to explore a range of financing options for new nuclear with developers including the Regulated Asset Base (RAB) funding model, which could help secure private investment and cost consumers less in the long run. Given the scale of the financing challenge, we will also consider the potential role of government finance during construction, provided there is clear value for money for consumers and taxpayers.
7. Delivering ambitious electricity commitments through our world-beating commitment to deliver 40GW of offshore wind by 2030, including 1GW of floating wind, enough to power every home in the country – while attracting new offshore wind manufacturers to the UK.
8. Investing £1 billion in state-of-the-art carbon capture storage in four industrial clusters by 2030 – sucking carbon out of industrial processes to stop emissions escaping to the air. Four low carbon clusters will be set up by 2030, and at least one fully net zero cluster by 2040, stimulating the market to attract new investors and manufacturers to reinvigorate our industrial heartlands.
9. Kick-starting the hydrogen economy by working with industry to aim for 5GW of production by 2030, backed up by a new £240m net zero Hydrogen Fund for low carbon hydrogen production.
10. Investing £1.3 billion to accelerate the rollout of charge points for electric vehicles in homes, streets and on motorways as well as up to £1 billion to support the electrification of cars, including for the mass-production of the batteries needed for electric vehicles. The rollout has levelling up at its heart, and will support economic growth across the UK - including in our strong manufacturing bases in the Midlands and the North East - while supporting the 169,000 jobs in our world-leading automotive sector.

11. Supporting the lowest paid with their bills through a £6.7 billion package of measures that could save families in old inefficient homes up to £400. This includes extending the Warm Home Discount Scheme to 2026 to cover an extra three quarters of a million households and giving eligible households £150 off their electricity bills each winter. The £2 billion Green Homes Grant announced by the Chancellor has been extended for a further year in the Ten Point Plan.
12. Moving away from fossil fuel boilers, helping to make people's homes warmer, whilst keeping bills low. By the mid-2030s we expect all newly installed heating systems to be low carbon or to be appliances that we are confident can be converted to a clean fuel supply.
13. Supporting North Sea oil and gas transition for the people and communities most affected by the move away from oil and gas production, ensuring that the expertise of the oil and gas sector be drawn on in developing carbon capture and storage and hydrogen production to provide new green jobs.

Impact

Other key items include:

Power

- Government Goal: 'Electricity is a key enabler for the transition away from fossil fuels and decarbonising the economy cost-effectively by 2050.'
- The Government has published a consultation on bringing forward the phasing out of coal from the electricity mix from 2024 (the current deadline is 2025).
- Modelling suggests that overall demand for electricity could double by 2050 owing to its use for vehicles and heating, requiring clean electricity generation to quadruple.
- The Government says that it will not target a particular mix of energy for 2050, instead allowing the electricity market to 'determine the best solutions for very low emissions and reliable supply, at a low cost to consumers'. Instead, it sees its role as 'to ensure a market framework which promotes effective competition and delivers an affordable, secure and reliable system, consistent with net zero emissions by 2050'.
- Despite this, the White Paper does set out some 'key characteristics of the future generation mix', which it envisages as largely wind and solar, currently complemented by other technologies such as nuclear, gas with carbon capture and storage (CCS) and battery flexibility, demand side response, interconnectors and short-term dispatchable generation, but in future by low-carbon hydrogen and long-duration storage.
- The Government is to implement a new energy modelling strategy to increase transparency and collaboration, using the recommendations of the Energy Data Taskforce.

Energy system

- Smart Systems Plan update will be published in spring 2021 and Govt will introduce definition of electricity storage in law.

- Energy Data Strategy will be published in spring 2021, in partnership with Ofgem
- Strategy and Policy Statement for Ofgem next year, requiring it and the Secretary of State to regulate in a manner consistent with the Government's policy outcomes, including a net zero energy system
- Transport Decarbonisation Plan in spring 2021

Buildings

- Building emissions have fallen by 17% in the last 30 year - this reduction needs to quintuple by 2050
- Heat and Buildings Strategy will be launched in early 2021
- A Future Homes Standard, to be implemented as soon as possible, will ensure that all new homes are zero-carbon ready. A response to the consultation on an interim uplift in standards and a roadmap to the standard will be published as soon as possible
- 2021 consultation will cover new regulations to phase out fossil fuels in off-grid homes, businesses and public buildings
- Response to the consultation on the Clean Heat Grant (£4,000 for heat pump installation) will be published next year
- Govt will work with the heat pump sector to increase supply chain capacity and reduce costs, with a consultation on policy approaches to developing the market early next year
- Govt will work in partnership with industry to evaluate whether hydrogen could help to heat homes and buildings, with increased funding for tests and trials
- Support for heat networks remains with various funding streams

Consumers

- Government Goal: 'We are committed to making the right reforms that will protect the interests of consumers and create opportunities to reduce bills and carbon emissions.'
- The Government has committed to put 'fairness at the heart' of its move to a clean energy system and will publish a call for evidence by April 2021 as the start of 'a strategic dialogue between Government, consumers and industry on affordability and fairness'.
- It identifies that the trend towards renewables and away from fossil fuels means that while there will not be a fuel cost, there will be construction and operational costs; that this 'fundamentally reshapes the costs of the system'; and that passing costs on through bills 'can incentivise or disincentivise certain types of consumer behaviour', posing a challenge for heat electrification and potentially leading to unfairness.
- The Government has reaffirmed its goal of achieving 'market-wide roll-out of smart meters as soon as practicable', with a new obligation on suppliers from July 2021, mention of working with the industry to enable successful consumer engagement, and Ofgem to publish a final decision on half-hourly settlement by spring 2021.

- The Government will engage with the industry and consumer groups in 2021 on changes to the market framework to permit innovative tariffs and products to be created, prior to a consultation, e.g. peer-to-peer trading, energy as a service or bundling utilities together.
- The Government will legislate to give itself the power to regulate smart appliances, based on principles such as interoperability, data privacy and cybersecurity (previously announced).

Action

While the White Paper is a collection of items, rather than a discrete item of work, it provides a useful resource for us to refer back to, and we will remain engaged with Government in ensuring it stays on track to meet the goals most relevant to BEAMA.

Interim report on Treasury Net-Zero costs review

Status

The Treasury has published an interim report containing initial analysis, rather than policy recommendations, of the distribution of costs in reaching net-zero.

As previously promised the Treasury has published an interim report containing initial analysis, rather than policy recommendations, of the distribution of costs in reaching net-zero. You can find the interim report [here](#).

The final report will be published next year and will complement the government's Net Zero Strategy and sectoral decarbonisation strategies. The final report should contain recommendations for the more influential, interesting and difficult challenge of how costs should be distributed fairly.

Impact

Government says that 'overall, in the context of the rest of the world decarbonising, the net impact of the transition on growth to 2050 is likely to be small compared to total growth over that period, and it could be slightly positive or slightly negative'. However, there is a need to 'level up' and be wary of where the costs are distributed particularly on households and intensive industry.

This also applies internationally – there is a risk of carbon leakage (cheaper but higher carbon products from overseas may become more attractive if the UK decarbonises production faster than others). EU is seeking to address this with a financial Carbon Border Adjustment Mechanism; the UK seems to see more ambitious targets from all countries as the best way to avoid carbon leakage.

The report quotes CCC analysis that shows while buildings account for 17% of emissions, decarbonising all buildings will require around 50% of the net cost involved in reaching net-zero (around £7bn per year net cost, peaking in 2028). However, it suggests that the CCC's assumptions are more likely to underestimate net cost, as they do not account for items like development of skills. There would also be a significant effect from the speed of overall economic growth.

Treasury has also recently updated the Green Book, which details how major investments are appraised, to ensure that all projects are assessed against the government's strategic objectives, including reaching net zero. The Treasury report adds 'co-benefits should not be excluded from final policy considerations' - this means that benefits like better indoor air quality should be recognised in

modelling alongside the benefits of reducing emissions. This gives us a useful framework when analysing policies.

Action

We will look out for the full report and share details when published.

CCC 6th Carbon Budget and policy recommendations, and new UK 2030 target

Status

The Climate Change Committee has published a suite of influential documents with its recommendations for meeting a new carbon budget in 2033-37 and making progress to net zero by 2050. The UK is projected to miss its next two carbon budget targets (4th and 5th). There is a lot of detail which we will go through and keep members up to date. You can find the documents on the CCC's website [here](#).

The recommended pathway requires a 78% reduction in UK territorial emissions between 1990 and 2035. In effect, bringing forward the UK's previous 80% target by nearly 15 years. However estimates of the cost of meeting the targets have improved - CCC's estimates of costs have fallen to less than 1% of GDP for the entirety of the period 2020 to 2050. It also says much of the investment spending can be recouped through lower operating costs, mostly from reduced reliance on imported fuel.

Impact

A key point from the report of relevance to many members is:

"Electrification is of primary strategic importance for Net Zero; crucially, this strategic importance remains true even where hydrogen grid conversion is widespread". As such the CCC recommends continuing to pursue a range of decarbonisation options now.

The CCC says the Sixth Carbon Budget can be met through four key steps:

1. **Take up of low-carbon solutions.** People and businesses will choose to adopt low-carbon solutions, as high carbon options are progressively phased out. By the early 2030s all new cars and vans and all boiler replacements in homes and other buildings are low-carbon – largely electric. By 2040 all new trucks are low-carbon. UK industry shifts to using renewable electricity or hydrogen instead of fossil fuels, or captures its carbon emissions, storing them safely under the sea.
2. **Expansion of low-carbon energy supplies.** UK electricity production is zero carbon by 2035. Offshore wind becomes the backbone of the whole UK energy system, growing from the Prime Minister's promised 40GW in 2030 to 100GW or more by 2050. New uses for this clean electricity are found in transport, heating and industry, pushing up electricity demand by a half over the next 15 years, and doubling or even trebling demand by 2050. Low-carbon hydrogen scales-up to be almost as large, in 2050, as electricity production is today. Hydrogen is used as a shipping and transport fuel and in industry, and potentially in some buildings, as a replacement for natural gas for heating.

3. **Reducing demand for carbon-intensive activities.** The UK wastes fewer resources and reduces its reliance on high-carbon goods. Buildings lose less energy through a national programme to improve insulation across the UK. Diets change, reducing our consumption of high-carbon meat and dairy products by 20% by 2030, with further reductions in later years. There are fewer car miles travelled and demand for flights grows more slowly. These changes bring striking positive benefits for health and well-being.
4. **Land and greenhouse gas removals.** There is a transformation in agriculture and the use of farmland while maintaining the same levels of food per head produced today. By 2035, 460,000 hectares of new mixed woodland are planted to remove CO₂ and deliver wider environmental benefits. 260,000 hectares of farmland shifts to producing energy crops. Woodland rises from 13% of UK land today to 15% by 2035 and 18% by 2050. Peatlands are widely restored and managed sustainably.

Action

We will continue to brief members on key publications, and use these as resources in support of our own publications and consultation responses.

Responding to advice from the Climate Change Committee, UK Government has agreed to a 2030 target of 68% reduction in carbon emissions compared to 1990 levels. The previous 2030 target was 53%. UK has currently reduced its emissions by around 41% from 1990 levels, chiefly through decarbonisation in the power sector, and to some extent in offshoring. The Government is expected to use this figure to show leadership in the run up to COP26 which will be held in Glasgow in November 2021.

Government has also published a new carbon calculator, allowing you to choose different technology scenarios and forecast how those will affect progress to net-zero. You can access this [here](#). There are simple and more detailed versions of the calculator.

New UK Centre for Greening Finance and Investment

Status

From April 2021 Leeds and London will be home to a new UK centre for driving global green finance and investment, with £10 million in government investment. The UK Centre for Greening Finance and Investment (CGFI) will involve a consortium of major UK institutions, led by the University of Oxford.

Impact

The CGFI is the UK national centre established to accelerate the adoption and use of climate and environmental data and analytics by financial institutions. It will unlock opportunities for the UK to lead internationally in greening finance and financing green.

It will help divert investment away from unsustainable activities such as deforestation and fossil fuels, and towards low carbon sectors. It will also make use of advanced data on climate risks to inform investments.

The CGFI is a global initiative. Partners include organisations such as the World Bank and the UN Environment Programme Financial Initiative (UNEP FI).

You can read more [here](#).

Action

Government has recently been placing greater emphasis on the need to establish greater green finance offerings, allowing flexibility in ways to reach net-zero that should also ease the pressure on Government spending.

We are engaged with the Green Finance Institute, and BEAMA is also working with members to consider the finance solutions we need, as a follow-up to our 2019 Net-Zero by Design paper with made recommendations on encouraging investment.

Select Committee critical appraisal of Govt net zero progress

Status

The Public Accounts Select Committee of MPs has published a report criticising the Government's progress towards its net-zero requirement. You can download their report [here](#). It begins: "Government lacks a plan for how it will achieve net zero greenhouse gas emissions by 2050 despite setting the target almost two years ago. At present, there is no coordinated plan with clear milestones towards achieving the target, making it difficult for Parliament and the general public to understand or scrutinise how the country is doing in its efforts to achieve net zero emissions".

Impact

The Government has rejected the Committee's analysis and insists it has made and is making sufficient progress.

Action

We continue to respond to Select Committee inquiries as they are useful in requiring Government to respond.

Industrial Energy Transformation Fund open for funding applications

Status

Organisations can apply for a share of up to £40 million for grants to improve the energy efficiency of industrial processes, reducing energy bills and cutting carbon emissions. The competition closes Wednesday 14 July 2021 11:00am.

Impact

Heat pumps are an eligible technology in the fund that industrial businesses can use to reduce their emissions.

You must be an industrial business of any size to apply. You can apply on your own or in collaboration with other organisations. Your project must take place at a manufacturing site or data centre in England, Wales or Northern Ireland and be led by the operator of that site.

Action

BEAMA will take no further action but any members interested in applying or finding out more before the 14 July deadline should visit the website [here](#).

End date for sale of ICE vehicles

Status

The Government has consulted on when it should legally end the sale of fossil fuel/internal combustion engine (ICE) vehicles. Originally planned for 2040, the Government has now announced a two stage approach:

1. Step 1 will see the phase out date for the sale of new petrol and diesel cars and vans brought forward to 2030.
2. Step 2 will see all new cars and vans be fully zero emission at the tailpipe from 2035.

Impact

The requirements are technology neutral, but the consultation acknowledges that BEVs are the best choice today.

An earlier deadline should trigger an acceleration of measures to increase rollout of EV charging infrastructure, as well as programmes that seek to address market and consumer issues such as the work of the EVET.

Action

The definition of significant zero emission capability will be consulted on later this year.

Government support for innovation in the transition to zero emission vehicles (ZEVs)

Status

Government has announced three separate streams of support funding, worth a total of up to £17m to support the UK's transition to ZEVs.

The three funding streams are:

- On-vehicle solutions for ZEVs – feasibility study ([Link](#))
- On-vehicle solutions for ZEVs – collaborative R&D ([Link](#))
- Infrastructure solutions for ZEVs – feasibility study and collaborative R&D ([Link](#))

The first two streams are looking for solutions that address one or more of the following:

- improve ZEV range capability
- increase adoption of small commercial ZEVs
- support transition to zero emission for special use vehicles

- improve ZEV user experience
- improve sustainability of ZEVs

The third stream will support feasibility studies and R&D projects that address one or more of the following infrastructure challenges:

- improve public residential charging in urban areas
- improve rural charging
- improve fleet charging solutions
- enhance the ZEV user charging experience

Action

For more information about any of these funding streams, please follow the embedded links.

Details on all live and upcoming Innovate competitions can also be found here ([Link](#)). This includes APC18, the call for the next round of funded projects from the Advanced Propulsion Centre, which opens on 29th March 2021.

ENISA (European Union Agency for Cybersecurity)

Status

ENISA is now legally empowered by the European Commission, to develop European certifications schemes that can be harmonised. It is required to publish a rolling work programme and has been deciding on what to include in the first programme. The 2020-2022 Plan was published in June¹. Specific areas of interest to BEAMA members will be:

- Building knowledge on security of IoT
- Incident reporting in Europe

ENISA has also launched a proposal for an EUCC Candidate scheme based on ‘...(Common Criteria based European candidate cybersecurity certification scheme) and it looks into the certification of ICT products cybersecurity, based on the Common Criteria, the Common Methodology for Information Technology Security Evaluation, and corresponding standards, respectively, ISO/IEC 15408 and ISO/IEC 18045’.

Along with its increased powers, ENISA was required to establish a Cybersecurity Certification Group to provide guidance to its certification work. This group has been set up and contains a representative from Orgalim. ENISA has also circulated a ‘Food for Thought’ Paper which is restricted access but addresses a number of key issues:

- Strategic Priorities – where to start?
- Standardisation – how to use standards?
- Secure by Design – how to achieve this?
- Risk Based Assurance – how to make them comparable?
- ‘Composability’ of certificates – do you have to certify the full system or can you use component certificates?
- RED and LVD – how to extend to cover cyber security?
- General Product Safety – How does this change for IoT and AI products

Impact

Post BREXIT the UK is outside of scope of ENISA but, as it will strongly influence European product and system cyber security processes, this is likely to be important to anyone selling into Europe. It is also possible that the UK may adopt approaches based on ENISA outputs.

Action

¹ <https://www.enisa.europa.eu/publications/corporate-documents/enisa-programming-document-2020-2022-with-amendments>

At this time, we are monitoring the activity of ENISA via our membership of the Orgalim Cyber Security TF.

European Cyber Security Network Code

Status

The Cyber Security Act triggered the launch of the Cyber Security Network Code (NC). This is sponsored by the European Commission and delegated to ACER and the European Transmission Organisation (ENTSO-E) and Distribution body. A failure of the various DSO organisations to agree which should lead has meant that the Commission instructed them to establish a new organisation. This is underway but is not expected to result in the body being formed until 2021, which means that the formal network code cannot commence at this time. Mindful of the potential delay, the Commission has allowed the work to begin as an 'informal' process, with representation from ENTSO-E and the three DSO organisations (GEODE, E.DSO and CEDEC plus Eurelectric). The intention is to get the work started so that, when the formal process can start, it can simply pick up an advanced draft. During the informal process, T&D Europe has been in contact with ENTSO-E to get updates on progress and identify issues that industry can feed into.

One early feedback from the Code drafting team is that it is likely to avoid placing any requirements on supply chain management.

The NC was meant to be based on the Smart Grid Task Force ²EG2 final report, the result of several years of consultation across a wide range of stakeholders. Our latest briefing indicates that the first draft of the NC is diverging from the EG2 report in significant ways. Specifically:

- There appears to be a push towards relying on product certification, possibly as a result of ENISA looking to contribute to the exercise (the NC work points to the UK CPA process)
- A consequent step away from the risk based approach
- A move away from basing the Code on ISA/IEC 62443 so that reference can be made to NIST standards and because there is a desire not to 'pick' specific standards (other than ISO/IEC 27001 and 27019)

A first draft of the NC was produced in the summer for the network organisations to 'see what would fly' in their words. A second draft that will be submitted to the Commission is due at the end of September. T&D Europe is planning to submit its view to the NC editorial team before the middle of September with a view to getting them to return to the EG2 Report approach.

Impact

Depending on BREXIT outcomes, it is likely that GB electricity networks will be required to comply with the Code, if we are to remain participants in the European power market.

A move to requiring product certification as a core part of the NC could have significant impacts for network equipment providers as the costs for CPA and Common Criteria are high, volumes for this equipment will be much lower than for domestic meters and they can be configured in many different ways within a network, so there might be multiple, or even bespoke, profiles for the certification.

² https://ec.europa.eu/energy/sites/ener/files/sgtf_eg2_report_final_report_2019.pdf

Action

BEAMA is working via T&D Europe's Cyber Security Task Force which is engaged with all parties. Immediate objectives are to bring the Code back to the conclusions in the EG2 Report. A variety of routes to make this case have been identified. T&D Europe is also planning work to promote the use of IEC 62443 by power networks.

Building Safety Programme update

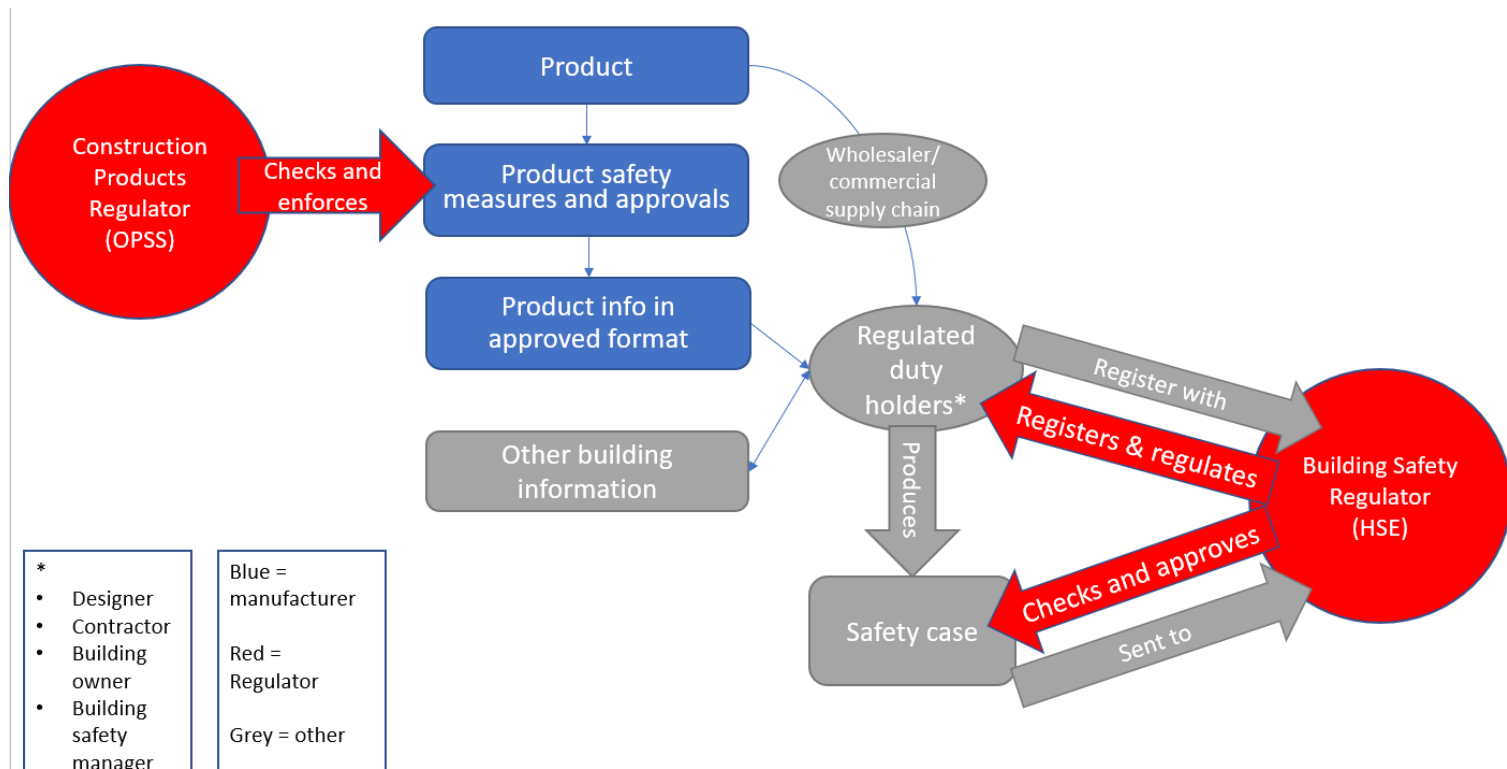
Status

While many questions remain in the Building Safety Programme, we are well engaged with several Governmental teams and there are some ongoing developments:

We do not have full clarity on timings of either policy decisions, or on when key issues will be discussed more with industry, but we are learning more about the sequence of milestones required before the new regulatory system is fully up and running:

1. Building Safety Bill (framework legislation) to gain assent – expected back in Parliament in May 2021, with final Assent in January 2022
2. Secondary legislation will determine details such as the information required under the Golden Thread – expected in March 2022 – plus guidance
3. Construction Products Regulator to engage with industry and make decisions on product scope and policy details – not expected before January 2022
4. Lead-in time following legislation before new system begins to be enforced

This diagram gives an approximation of the relationships that will be established between manufacturers, regulators and other bodies when the new regime is implemented:



We now have confirmation of the new regulators:

- a. The [Building Safety Regulator](#) (overseeing the whole system) will be the Health and Safety Executive.

- b. The [Construction Products Safety Regulator](#) will be separate. This is being established under OPSS.
- c. Trading Standards will continue to work on product safety enforcement.
- d. MHCLG will continue to make key policy decisions and take Ministerial responsibility.

Impact

We continue to work with Government to understand the likely impact across the range of products within BEAMA's scope.

One issue is the definition of 'construction product' that the Government will use. This has not yet been settled, and may take until next year before we get more clarity. However it does seem likely that Government will consider products not directly impacted by the Construction Products Regulation, so potentially leading to a wider scope of low voltage products.

Another issue is the classification of construction products. This will be undertaken by an expert and industry panel, which will not be convened until 2022. Some products will be considered 'safety critical', and subject to stricter requirements. Others will have a legislative requirement to be 'safe' (in a similar mechanism to that used for all consumer products). How this requirement is met is likely to be left open to the manufacturer's interpretation, but may require them to consider the ways in which a product may be misused and how that could impact safety.

Action

Before the consultation, we worked with members to agree an initial position on how 'safety-critical' members believed their products to be in the context of the Government's proposals. We will revisit this position and ensure that members remain happy with the initial positions when we have more clarity on the decision makers and processes for implementing these decisions; these are expected later in 2021.

We also have contacts in the MHCLG Policy Team, Golden Thread team and OPSS so will keep members fully aware of all the latest developments.

MHCLG has announced an independent review into conformity assessment and testing. MHCLG are currently scoping the study and waiting on confirmation of the leads for the independent review. This will be managed independently from Government and the Building Safety Programme. The scope is not yet agreed. BEAMA has communicated some key messages with civil servants and will be in touch with members when we have more information.

You can find a reminder of the major proposals and Government's response to the consultation [here](#), and a members' Q&A [here](#).

Heat & Energy in buildings

Future Buildings Standard consultation for England & BEAMA response

Status

On the 19th January MHCLG published the following for England:

1. Proposals for a **Future Buildings Standard** providing a pathway for highly efficient non-domestic buildings which are zero carbon ready, better for the environment and fit for the future.
3. Consultations on changes to Part L and Part F for **Non-domestic buildings**
4. Consultations on changes to Part L and Part F for **Existing dwellings**
5. Proposals to mitigate against **overheating** in residential buildings

The consultations close on 13th April. BEAMA has developed a draft response which you can find [here](#). Please send any comments to simon.harpin@beama.org.uk. You can find the consultation document and draft Approved Documents for reference [here](#).

The timings of the overall review programme for Building Regulations is as follows:

		Buildings Fit for the Future				
		2021	2022	2023	2024	2025
New Homes	Part L & F uplift					Future Homes Standard
	FEES ¹ Overheating					
Existing Homes	Part L & F uplift					
Existing Non-Domestic	Part L & F uplift					
New Non-domestic	Part L & F uplift					Future Buildings Standard

KEY:
Included in previous consultation
Included in this consultation

Impact

Key items within the consultations are:

Non-domestic buildings in 2025

- 2025 New build Non-Domestic “capable of becoming carbon neutral over time“

- Typically use heat pumps for heat
- Industry engagement before 2025 in workstreams depending on demand type:

Table 2.1: Demand types identified for specific building types	
Demand type	Building type
Type 1 demand: space heating demand more suitable for heat pumps. Domestic hot water demand more suitable for point-of-use or heat pump.	Offices, multi-residential buildings, prisons, primary schools, secondary schools, retail units, community centres, courts, libraries, museums, airport terminals, data centres, theatres
Type 2 demand: space heating demand more suitable for heat pumps. High domestic hot water demand, which may be less suitable to be provided using point-of-use or heat pumps.	Hotels, hospitals, other health care buildings, restaurants
Type 3 demand: space heating demand less suitable for heat pumps. Domestic hot water demand more suitable for point-of-use or heat pump.	Retail warehouses, distribution warehouses, industrial process buildings, sports halls

Non-domestic buildings from 2021/22

- New builds to have carbon emissions 27% lower than previous Regs
- Requirement for BACS for systems over 290kW
- Improved heating controls
- Lower flow temperatures for heating
- Improved ventilation provision
- A set of measures consistent with the earlier New Homes consultation including:
- Introduction of primary energy as additional metric with carbon and fabric
- Removal of compliance guides and consolidation of Approved Documents
- 12-month transitional arrangements applying to individual buildings rather than whole developments

Existing homes

- Removal of compliance guides and consolidation of Approved Documents
- Requirement for individual room temperature controls when replacing a boiler
- AD measures on system sizing and control
- Lower flow temperatures
- Specifications for BACS
- Changes to water treatment and softening guidance
- Changes to ventilation provision

Action

The consultations close on 13th April. BEAMA has developed a draft response which you can find [here](#). Please send any comments to simon.harpin@beama.org.uk.

We believe we will be able to engage with MHCLG after the consultation has closed on the details of the Approved Documents to ensure that these are accurate and fair. We will also have the option to provide some additional industry interpretation or guidance to fill any gaps left by the scrapping of the Compliance Guides if members see this as useful.

We also responded to a consultation for non-domestic buildings and existing homes for Wales. This consultation was more limited than the English version, and focused mainly on implementation of EPBD requirements. You can find our response [here](#).

Government response to Future Homes Standard consultation

Status

MHCLG has responded to its Future Homes Standard consultation, to which BEAMA provided a comprehensive response, announcing decisions on its policy proposals. You can find the documents [here](#).

Welsh Government has also published a similar response confirming the majority of its own proposals will be taken forward, and making these very similar to the Regulations for England – further details [here](#).

Key items for England include:

- 2025: Zero-carbon ready homes (no fossil fuel heating)
 - Z-C by default as grid decarbonises
- 2021: Local Authorities can set their own requirements
- 2021: 31% lower CO2 emissions than previously
 - Could be gas + PV, or heat pump (cheaper), as ways to comply
 - Primary Energy, CO2, fabric standards
- 2021: Tighter compliance
 - Shorter timescale to comply
 - Compliance report BREL
- 2021: Changes to guidance
 - Compliance guides scrapped with some provisions moved into Approved Documents
- 2021: Changes to services
 - Improved ventilation
 - Requirement to fit individual room temperature control
 - 55C flow temperature for heating

Impact

These Regulations will apply for a shorter time than previous versions, given that we know when the next version will be set. We will try to look out for the compliance options that housebuilders choose and assess how far these Regs will contribute to the Government's decarbonisation goals, and consequently how many homes built before 2025 will need to be retrofitted for low carbon heat before 2050. Government has also acknowledged that its other policy measures will be needed to support the Regs in decarbonising overall housing stock.

Action

Government has planned additional engagement before the 2025 Regs come into force:

- Research beginning autumn 2021
- Ongoing further industry engagement
- Technical consultation 2023
- Legislation in 2024
- Implementation by 2025

Government closes consumer Green Homes Grant to new applications from 31st March

Status

BEIS has announced that the Green Homes Grant will not continue as planned from April 2021- March 2022. The funding pledged for 2021/22, in the region of £300m, will be given to supplement the Local Authority delivery programme and Social Housing Decarbonisation Fund Demonstrator which opened at the same time as the consumer incentive scheme. All in all this means that the total amount of money spent on the GHG will be far lower than the total that had been allocated by BEIS and Treasury. Government is presenting this as a £300m "funding boost".

The GHG closed to new applications at 5pm on 31st March 2021 at 4 days' notice. All valid applications received before the deadline will be processed.

BEAMA has been one of a number of organisations calling for a longer term incentive or support scheme to help householders improve their properties with low carbon heat and energy efficiency measures, and we will remain in contact with Government on this.

On the local authority aspects, BEIS has said:

"The Local Authority Delivery element of the scheme has already successfully allocated £500 million of funding across the English regions, to support retrofit measures such as energy efficiency and low carbon heating in around 50,000 low-income households.

"In addition to the success of the Local Authority Delivery element of the Green Homes Grant scheme, we have seen an extremely positive response to the initial Social Housing Decarbonisation Fund Demonstrator, which is currently delivering 19 projects across England and Scotland, delivering whole house retrofits to over 2,300 social homes, showcasing innovation in process and technology. We will build on this success by increasing the size of the first tranche of funding for the main Social Housing Decarbonisation Fund.

"The Local Authority Delivery scheme and the Social Housing Decarbonisation Fund will require many of the same skills and training as the Green Home Grant Scheme. Investing in these skills and training remains a key priority for us, following the Government investment of £6.9 million in skills training for this industry in December 2020 which is ongoing. This is also why the Government is investing £2.5 billion in a National Skills Fund, helping to support hundreds of thousands of green jobs over the next decade. This approach will help us support a thriving retrofit industry to ensure we build back better after the pandemic and continue to deliver on our Net Zero ambitions."

Impact

The GHG achieved very little takeup due to administration issues, and in places lack of availability of installers.

Action

BEAMA is [pushing for](#) a longer term support for low carbon heat and energy efficiency improvements, and for Government to use the time before the introduction of the £4,000 Clean Heat Grant in 2022 to support the supply chain.

Scotland's draft Heat in Buildings strategy & consultation

Status

Scottish Government has issued a very interesting consultation on a draft Heat in Buildings strategy, with some ambitious and challenging proposals that would get closer to meeting the requirements of decarbonising existing homes than anything we have seen to date from UK Government. We have included the proposals in detail below given their challenging nature, and given that the impacts would be magnified many times over were they to be replicated in a strategy for the rest of the UK.

This draft strategy lists ambitions, principles and actions for Scotland to decarbonise heat in buildings. It focuses on actions the Scottish Government can take with its devolved powers but also where UK Government will be asked to act. It notes the necessary balancing act between net-zero and fuel poverty aims. It states: "the changes we need to see by 2045 must be delivered in the 2020s".

Topics covered in this summary are:

- Targets and regulations
- Funding for work on existing buildings
- Comments on technologies
- Changes to EPCs
- Consumers, fuel poverty and prices
- Skills & supply chains
- Networks

Impact

Key points from the strategy:

Targets and regulations

- Scotland has 2045 net-zero target, not 2050 as in UK overall, and 75% reduction by 2030
- All buildings energy efficient (equivalent EPC C) by 2035

- All buildings zero emissions heating & cooling by 2045
- Means emissions from buildings to fall 68% between 2020 and 2030
- Want low carbon heat installs in new and existing to double every year from now to 2025 to reach 64,000 p.a., and peak in late 2020s at 200,000 new systems a year
- Asks very open questions about an updated ‘heat target’
- Phasing out funding for fossil fuel heating by 2024 in delivery programmes wherever possible
- “we will introduce new regulations to set standards for zero emissions heating and energy efficiency, where it is within our legal competence, between 2023 and 2025”
 - “will cover the full range of Scotland’s domestic and non-domestic buildings and address both their energy efficiency and their direct emissions from heating”
- Some regulatory plans rely on agreeing further devolution with UK
 - Wants more power to influence heat decarbonisation
- Net Zero public buildings standard will be published in 2021 – voluntary
- Proposing to require installation of zero or very near zero emissions heating systems in existing buildings from 2025 – all needing to meet this by 2045 – consultation in 2022
 - Will apply at key trigger points
- Private rented homes must be EPC C by 2028
- Owner-occupied home to be EPC C by 2035 (where technically feasible and cost-effective)
 - Will apply at key trigger points
- Trigger points will probably include:
 - Change of tenancy
 - Point of sale
 - Major refurb
 - Replacement or installation of new heating system
- Social housing EPC B by 2032
- Uncertain on best approach for multi-residency or multi-use buildings
- Proposing tightening of efficiencies of non-dom buildings, eg requiring zero emission heating, and will consult during 2021/22

Funding for work on existing buildings

- £33bn will be needed overall to transform buildings

- Non-dom buildings – ¾ have EPC E or worse – are included as well as residential
- Private finance will be needed – discussing with others in Europe how to standardise green mortgages
 - New Green Finance Task Force expected to do a lot based on the strategy
- £1.6bn for heat and energy efficiency projects across next Parliament to be invested by Scottish Govt – to be largely targeted at least able to pay
 - propose to expand existing delivery programmes to focus on accelerating deployment with £465 million to support those least able to pay through expanding existing domestic energy efficiency programmes
 - over £1 billion to support heat decarbonisation and energy efficiency across other strategic priorities:
 - Investing in strategic technologies in low or no regrets areas
 - Sharing learning through early adoption in key areas of focus
 - Investing in innovation and demonstration
 - Will all be spent across:
 - Energy efficiency
 - Heat pumps in off-gas areas
 - Heat pumps in on-gas areas
 - Heat networks
 - Includes continued funding for interest-free loans, and possible additional cashback scheme until at least 2023
 - Replacement for Warmer Homes Scotland scheme with 7-year programme starting in 2022 with Zero Emissions First approach
 - Continue low-cost SME loans and cashback until at least 2023
 - £95m on public sector buildings across next Parliament
 - Extend infrastructure transition programme that has delivered heat from rivers to heat networks
 - Extend social housing net zero fund to 2026
- Working to develop database of non-dom stock

Comments on technologies

- Throughout 2021 will build on work to provide evidence on the role gas decarbonisation can play, and a timeline for resolving uncertainties.
- “Decarbonised gas is unlikely to play a large part in reducing emissions before 2030.”

- “too early to prioritise deployment of hybrids.”
- Talks about storage heaters as well as heat pumps as low emission option
- Mentions heat batteries and energy storage with solar as ‘secondary technologies’ that can work with heat sources – further analysis promised on those in 2021/22
- Publishing research on heat pump performance in situ in March 2021

EPCs

- Want to revise underpinning metrics for EPCs and change assessment process including correcting anomalies – consulting in Summer 2021. Suggesting:
 - Indicator for energy efficiency
 - Indicator for heating emissions
 - Indicator for cost of heating
 - NB – Scottish EPCs are different as this illustration shows:

Region	Rating	
Scottish EPC	C	
English EPC	B	

EPC System	EPC Scotland	EPC England & EPC Wales
How the EPC grade is based.	The result is based on Kg CO ₂ /m ² and banded A through G. A building with in excess of 100 kg CO ₂ m ² achieves a G rating.	Based on an Asset Ratio (AR). The asset ratio compares actual CO ₂ emissions with the Standard Emissions Rate (SER) of a 2002 reference building with improvement factor. Graded A through G with an Asset Rating over 150 being a G rating.
What the effect is	A building with a more intensive use will have a worse rating. For instance a data centre will have a significantly worse rating than say an office or retail property.	If the building compares well to the notional building the result will be better and vice versa. An office that just conforms to building regulations may have a poor Asset Rating.

Consumers, fuel poverty and prices

- New Green Heat Finance Task Force to discuss role and options for private funding
- Responses to this will also impact next Fuel Poverty Strategy
- Will develop a bespoke public engagement strategy for HIB in 2021

- Local Heat & Energy Efficiency Strategies (LHEES) will map and plan targets on location basis – pilots have been run
- UK Government has power over energy price levies but Scotland has commissioned research on balance of levies on gas and electricity that it will publish in Spring
- Will encourage energy suppliers to offer flexibility tariffs
- Aiming to set up a public energy company and considering if this could supply heat as a service

Skills & supply chains

- Will adopt PAS 2035/30 standards for delivery programmes, and consider using Trustmark to ensure compliance
- Have developed installer skills matrix to integrate within PAS and MCS standards by summer 2021, with consultation soon
- Establishing Green Jobs Workforce Academy and Green Jobs Skills Hub
- Will work with SNIPEF and BESA to help retrain existing workforce in other heat techs
- Will develop action plan to help strengthen supply chains
- Is setting up a Heat Electrification Partnership with DNOs
- Call for evidence on supporting innovation early 2021
- Will have new Housing to 2040 Strategy
- Will review planning frameworks to ensure no unreasonable barriers to heat pumps

Networks

- Will review likely network costs for electrifying heat during 2021/22
- Will update Scottish Energy Strategy in 2021 to cover systems issues
- Have published intention to develop hydrogen industry for Scotland
- Heat networks commissioned to only use renewable and low/zero emission heat from 2023

Action

All items in the draft strategy are up for consultation until 30th April – please send any comments to simon.harpin@beama.org.uk by 26th April using the list of questions accessible [here](#).

EPC Action Plan

Status

Following a call for evidence that closed in 2018, which BEAMA responded to, MHCLG has published an Energy Performance Certificate Action Plan. It has also published a summary of responses to the call for evidence, which raised many familiar BEAMA and industry bugbears around EPCs not giving an holistic and accurate picture of the energy performance of a home, lifetime costs and opportunities for home improvement. You can find the full EPC action plan and summary of responses [here](#), and the BEAMA summary of the documents on this page.

The Action Plan is more a schedule of intentions and work than an announcement of confirmed policy changes. As such we will continue to engage with our contacts in MHCLG as they consider and implement changes to the EPC system and its applications.

The Action Plan aims to:

1. Improve accuracy, reliability and trust of EPCs
2. Ensure EPCs engage consumers
3. Ensure EPCs support policies that drive action
4. Establish a data infrastructure for the future

Impact

Key pledges include:

- investigate possibility of making available the additional information used for calculating EPCs, such as installed measures, so that property owners can sense-check EPCs more easily.
- review EPC recommendations section, including the ordering of recommendations and the potential to make them more tailored to the individual property. Better information on the limitations of EPCs and where to go for future advice will be provided. This will include better information on the potential effects of energy efficiency measures on ventilation, damp and overheating, as well as the suitability of recommendations for older properties or those in conservation areas.
- make further improvements to the Simple Energy Advice website, including the facility to model how retrofit works would affect EPC ratings, subject to consumer research.
- improve the presentation of cost data on EPCs, including presenting energy costs over 1 year instead of 3 years, but will also include more details of the non-financial benefits of energy efficiency measures, such as improved comfort and health.
- include more up-to-date information about government policy which relies on an EPC rating, such as the current minimum energy efficiency standards for the private rental sector and government EPC targets.
- look at how the existence of a smart meter and other smart technologies can be reflected on EPCs to provide additional information about the features of a property.

- carry out consumer research to inform more potentially comprehensive changes to the EPC format in the future. Investigate the use of behavioural change insights to nudge consumers to make energy efficiency improvements that benefit them.
- TrustMark will launch the new consumer-facing Property Hub for the Data Warehouse, which will allow property owners to access a 'logbook' for their property showing works which have been carried out through the government-endorsed TrustMark scheme. This database may be linked the EPC Register

Action

We will follow the progress on these proposals closely, including how they differ from the proposals Scottish Government is due to consult on in summer 2021.

Scotland's Housing to 2040 vision

Status

Scottish Government has issued a vision document called 'Housing to 2040' which you can download [here](#). This sets out actions to improve Scotland's stock of new and existing homes. Recently Scotland has also issued consultations on zero direct emissions in new build homes and a plan for existing homes to have zero direct emissions heating when replacing a system. The following is a summary of the key proposals across the new housing document and other recent policy documents such as the draft Scottish Heat in Buildings Strategy:

New homes

- Zero direct emissions heating in new homes from 2024
- Improvements to energy efficiency of new homes in 2021 and 2024
- New social rented homes to be zero emissions by 2026
- Strategy to be published in 2021 for zero emission new affordable homes – also encouraging offsite construction

Existing homes

- Direct Govt spending on local fuel poverty support
- Require Local Authorities to develop LHEES (Local Heat and Energy Efficiency Strategies)
- Continue to offer interest-free loans for heat & energy efficiency
- Green Heat Finance Taskforce to be established in 2021
- Consult on reforms to EPCs in 2021
- Develop proposals to require zero or near zero emissions heating in existing buildings from 2025
- Continue to tighten minimum EPC standards for rented homes and introduce these for owner-occupied homes

- New public engagement strategy for heat in buildings in 2021

Other measures

- Continuing to develop strategies to improve skills
- New housing standards to improve quality and consistency and reduce faults
- New Accessible Homes Standard
- Encourage more offsite construction
- Develop new business model for delivery of affordable homes with ‘greater standardisation of components’

EU’s Initial ideas for review of the EPBD

Status

The EU Commission has published its inception impact assessment in advance of a planned consultation on the review of the Energy Performance of Buildings Directive that is due in Q2 2021. You can access the document [here](#).

In the most ambitious option considered, the EPBD would make progress in its renovation wave by implementing some policies also considered in the UK and devolved administrations:

- review of EPCs
- possibility of building renovation passports
- minimum EPC standards for buildings
- updated requirements for new buildings and sustainable mobility

Impact

The impact assessment will look at the following policy options:

- **Option 1 – No policy change (baseline scenario):** The EPBD remains as it is, without any modification until the review envisaged for 2026 by Article 19 EPBD. The Commission follows the usual procedures to ensure the complete and correct transposition of the EPBD by Member States.
- **Option 2 - Non-regulatory measures:** Reinforced non-regulatory policy instruments and additional guidance and support measures, such as technical assistance, information campaigns, training, project financing etc. can lead to increased energy renovation rates.
- **Option 3 – Amend the EPBD to translate the actions proposed in the Renovation Wave and the increased ambition towards building decarbonisation into legislation:** The revision of several provisions of the EPBD will be explored, examining the required scope of the

revision. Several sub-options with different measures with different ambition levels will be assessed.

The phased introduction of mandatory minimum energy performance standards for different types of buildings (public and private, non-residential and residential) will be a central part of the EPBD revision. Different options for the type, scope, timeline and phasing in of such standards and the level of flexibility for Member States will be assessed. When phasing in such standards, one option could be to start with stricter requirements for specific types of buildings, such as public buildings or office buildings, and to extend progressively the requirements to other buildings. The conditions under which minimum energy performance standards should apply to residential buildings, for example change of ownership or rental, are also subject to assessment. In this context, the need for accompanying support policies to ensure affordability of housing will also be examined.

Another central part of the revision is an update of the framework for Energy Performance Certificates with a view to increasing their quality and availability, for example through greater harmonisation, the inclusion of additional information and more stringent provisions on availability and accessibility of databases. Other measures that will be considered include the introduction of Building Renovation Passports and the introduction of a 'deep renovation' standard in the context of financing and building decarbonisation objectives.

The requirements for new buildings and measures fostering sustainable mobility might also need to be updated in line with the enhanced climate ambition of the European Green Deal and the Climate Target Plan 2030, developing a new vision for buildings. Addressing resource efficiency and circularity principles in order to reduce whole lifecycle emissions, digitalisation, climate resilience and health and environmental standards also requires consideration.

Action

A 12-week public consultation will be launched in Q2 2021. Targeted public workshops on specific topics will be organised with relevant stakeholder groups. We will continue to monitor this with Orgalim and feed into the Orgalim response to the upcoming consultation. Please send any initial comments to simon.harpin@beama.org.uk.