**Clean Heat Market Mechanism**

**Consultation questions and draft SNIPEF response FINAL**

**Question One**

**SNIPEF Response**

**The Scottish and Northern Ireland Plumbing Employers Federation (SNIPEF) supports postponing the Clean Heat Market Mechanism's (CHMM) launch to 1 April 2025, acknowledging the complexities and challenges currently facing the sector.**

Given our belief in the CHMM's potential to significantly advance the transition to low-carbon heating solutions, we recognise the pragmatic rationale behind this decision. The additional preparation time, particularly after a period rife with speculation and uncertainty surrounding the CHMM, is crucial for ensuring a smooth transition. This will enable strategic planning and the necessary operational adjustments to comply with the CHMM's requirements.

Moreover, the recent regulatory changes, particularly those related to the Boiler Upgrade Scheme (BUS), underscore the necessity of this postponement. It is crucial to determine the levels of existing housing stock in the UK where heat pumps can be a direct replacement for gas boilers in terms of installation costs, practicality, running costs and performance. Understanding this compatibility is vital for ensuring that the transition to low-carbon heating solutions like heat pumps is technically and economically feasible for homeowners. This insight will enhance the broader market's readiness for the CHMM, aligning with our strategic goals for a low-carbon future.

While we understand the intention to make low-carbon heating solutions more accessible, we are concerned that without a "fabric first" approach which prioritises insulation and building efficiency, the efficacy of technologies like heat pumps may be compromised and/or questioned by the public. This risks slowing adoption rates, which are already significantly behind the 2028 targets.

To bridge the gap between these regulatory adjustments and the CHMM's goals, SNIPEF also urges the Westminster government to consider the importance of standardising funding mechanisms across the UK. A unified approach to grants and interest-free loans will mitigate confusion and bolster consumer confidence, further justifying the CHMM launch delay. Such measures are essential for streamlining the transition to low-carbon heating solutions and aligning national efforts towards our collective goal of a low-carbon heating future.

In light of these considerations, it is clear that postponing the CHMM's launch is not only a matter of allowing more time for market development but also an opportunity to enhance the framework within which the CHMM will operate.

It will enable us to address misinformation and communication inconsistencies that have previously marred discussions about the CHMM and heat pump market development.

Moving forward, prioritising integrity, factual accuracy, and a unified narrative in all discussions will be vital. Only through clear, consistent, and informed communication can we overcome the challenges and seize the opportunities on our journey towards reducing our national carbon footprint.

**Question Two**

In adjusting the start of the CHMM, are there any specific factors that the government should take into account?

**SNIPEF Response**

**In revising the start date of the CHMM, the Scottish and Northern Ireland Plumbing Employers Federation (SNIPEF) recommends that the government use this additional period to assess various policy and strategic factors. This will guarantee a successful launch of the CHMM in 2025 and achieve a more cohesive realisation of the broader low-carbon transition objectives.**

Further, SNIPEF believes the government should consider the following points:

1. **Greater collaboration and dialogue with manufacturers**: While SNIPEF acknowledges the need for a more assertive approach to ensure compliance and progress towards our nation’s low-carbon goals, we believe an open dialogue with manufacturers remains the most effective strategy.

Therefore, the government must strengthen its collaboration with manufacturers, forging a cooperative partnership that ensures their readiness for CHMM implementation by April 2025.

Such a cooperative and communicative stance is essential for aligning the industry's capabilities with the CHMM's objectives. It underscores the belief that mutual understanding and joint effort are vital to achieving our goals for a low-carbon future.

1. **Combating misinformation**: Monitoring and addressing misinformation surrounding the CHMM is essential. Misinformation significantly undermines the scheme's goals and erodes public confidence. A dedicated effort to counteract such misinformation will reinforce the scheme's integrity.

To support this, SNIPEF commits to proactively challenging misconceptions regarding the value of the low-carbon transition, underscoring its critical importance to our nation and future generations, thereby reinforcing the foundation of trust and factual understanding crucial for our collective progress.

1. **Enhanced communication**: Despite the potential challenges posed by the forthcoming General Election, the government must intensify its communication efforts to highlight the CHMM's value and benefits. Articulating the CHMM's importance and potential impact is crucial for sustaining long-term transition aspirations.
2. **Reassurance on achievability**

**Targets**: It is crucial to ensure stakeholders have confidence that the CHMM's targets are realistic and achievable. Clarifying this will help dispel doubts about their realistic feasibility and encourage broader engagement.

Should the targets prove overly ambitious, transparency and honesty are paramount. This could necessitate a reassessment of milestones, such as extending the heat pump target of 600,000 installations by 2028 further into the future.

Many businesses within the plumbing and heating profession have shown reluctance to invest in additional training and to diversify into the heat pump market, a sentiment mainly stemming from what is perceived as unrealistic targets and an inconsistent tone of commitment by governments extending beyond Westminster.

Addressing these concerns head-on will enhance trust and fortify the profession’s commitment to this transition.

**Infrastructure readiness**: Equally important is assessing whether the UK's electricity infrastructure will support the increased demand from the planned 600,000 heat pump installations annually by 2028.

An evaluation of the current electricity grid's capacity and its potential need for upgrades is crucial. This assessment will provide the necessary assurances that our infrastructure can handle the ambitious rollout of heat pumps, thereby bolstering confidence that these installations are not only theoretically achievable but also practically feasible.

Ensuring that the infrastructure can accommodate this surge in demand is fundamental to achieving the CHMM's low-carbon heating goals and maintaining stakeholder trust throughout the transition.

In addition to evaluating infrastructure readiness, the government must also review electricity tariffs to prevent consumers from being penalised for replacing gas boilers (which typically have lower tariffs) with heat pumps (where electricity tariffs are higher).

Adjusting tariffs to reflect the environmental benefits of heat pumps will support the transition to low-carbon heating while ensuring consumer affordability. This comprehensive approach will strengthen confidence in achieving the CHMM's goals while maintaining stakeholder trust.

1. **Address professional capacity and training needs**: SNIPEF has consistently highlighted the significant shortage of qualified plumbing and heating professionals needed to achieve the government's ambitious target of installing 600,000 heat pumps annually by 2028.

To address this, the government must engage in meaningful discussions with the industry to fully understand the human resource requirements necessary for such a massive scale of installations. Only through these dialogues can the government set realistic targets and ensure that the necessary workforce is ready and capable of meeting the national low-carbon goals.

SNIPEF is currently upgrading its Modern Apprenticeship in Plumbing and Heating to include a stronger focus on renewable heating technology training. However, additional support is needed from the government to bridge the gap in the number of future plumbing and heating professionals required to achieve the government's targets effectively.

1. **Policy and stability and consistency**: SNIPEF would like to stress the need for the government to maintain a consistent policy and strategy direction, which is vital for mitigating the negative impacts of recent fluctuations and changes in policy.

Establishing such stability is crucial in fostering confidence among industry professionals, motivating them to invest in essential training and capacity development. These steps are critical for the success of the CHMM and the broader shift towards low-carbon heating solutions.

1. **Enhancing home insulation priorities**: In light of the adjustments to the Boiler Upgrade Scheme (BUS), the government must launch a targeted campaign to encourage homeowners to prioritise insulation. This action is directly relevant, as improved insulation is foundational to the success of the CHMM, ensuring that the adoption of low-carbon heating technologies is both effective and efficient.
2. **Standardising incentives and communication across all nations**: It is crucial that all UK governments unite to standardise incentives and communications. This consistency ensures the CHMM's effectiveness and widespread acceptance, laying a solid foundation for achieving environmental goals. It underscores the importance of clear, coherent policies in facilitating the transition to a greener future and should be a priority in adjusting the CHMM's start date.

**Consultation closing date: 9 May 2024**

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