

**Energy & Climate Change Committee priorities for holding Government to account –
Submission from the Energy Intensive Users Group**

Which DECC policy areas do you think require particular scrutiny over the next five years?

- **Security of UK energy supplies** – including an assessment of the extent to which Electricity Market Reform measures have succeeded in encouraging investment in secure, dispatchable power generation in addition to and as backup for intermittent renewables.
- **Industrial decarbonisation** – development of a long-term support policy to reduce industrial carbon emissions including energy efficiency, combined heat and power, carbon capture and storage, heat recovery, development and implementation of innovative breakthrough technologies – see table 1 in:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419912/Cross_Sector_Summary_Report.pdf
- **Market based energy and climate policy** – prospects for re-establishing a competitive market-based policy, including carbon market reform, accelerated use of auctioning to set strike prices for Contracts for Difference for mature technologies, and long-term technologically neutral support for low carbon power generation by 2020.

What should be the Committee's scrutiny priorities over the next twelve months?

- **Cost of UK and EU climate policies** – reviewing latest estimates of the cumulative impact of UK and EU climate policies on current and future energy prices, the risk of larger impacts if the Levy Control Framework is exceeded, the extent to which recent policy changes to renewable subsidies might reduce this risk.
- **Fifth Carbon Budget** – assessing the practicality of the Committee on Climate Change's recommendation for the 5th Carbon Budget against a background of slower than expected deployment of new nuclear and CCS at fossil fuelled power stations, and its likely implications in terms of business viability, investment and employment for UK energy users, including the international competitiveness of trade-exposed energy intensive industries.