Letter to Business Secretary

Dear Kemi

The UK vehicle industry is being badly damaged by the threat to ban sales of petrol and diesel cars from 2030. This is sooner than our main competitors, leaves insufficient time to create EV models people want and can afford and destroys a very successful UK ICE industry. Do you want all those factories to shut soon? Where are plans for new factories for making EVs with the batteries they need? How would you stop people importing nearly new ICE vehicles they want from 2030? Why do both government and Opposition want to wipe our current factories off the map?

There is a threat to our gas and oil boiler manufacture and installation businesses from the proposed ban on these boilers in new homes from 2025. Given the very low take up, high cost and questionable performance of heat pumps it would be wise to delay this ban until more progress has been made with finding good value good performance alternatives to gas and oil boilers.

I am copying Grant Shapps in to the correspondence as these policies are also unhelpful in trying to cut CO 2 emissions. EVs require a lot of energy to manufacture, and need a lot of electricity to recharge the batteries. Most days in the UK the bulk of this energy comes from fossil fuel generation. Heat pumps also need plenty of electricity to run and again often work from power mainly derived from fossil fuels. It makes the extra cost of the imports bizarre.

There is no point shifting industry from the UK to overseas to shunt round the CO 2, and no point in closing our oil and gas fields only to import these fuels instead. The UK needs to earn a living, to invest and create jobs here, not end up dependent on others.

Yours

John Redwood

<u>Heat Pumps are not popular</u>

The government is keen to promote heat pumps for others, yet the uptake by Ministers and senior officials is still low. I would be more impressed if those recommending them had personal experience of them first. The German government seeking to accelerate their adoption by proposing to end oil and gas boiler sales by the end of this year has suffered a blow to its ratings. The policy has acted as good stimulus for gas and oil boiler sales as people rush to renew before the deadline. My electricity supplier tells me about heat pumps, presumably to encourage me. They say a heat pump costs between £5500 and £13000 with a government £5000 grant. They warn that I might need to put in bigger radiators and pipes which would be costly, and of course propose additional spending on insulation to allow for the lower temperatures you would otherwise get. They say the hot water would be 50-55 degrees not 60 to 65 degrees which they propose for a gas boiler. They suggest running costs would b e lower than a gas boiler.

I made enquiries for one for my small London flat where I am not allowed a gas boiler. I was told they cannot supply one as I am not allowed to place a box or pipe on the outside of the building and am not on the ground floor to allow ground source heat. Flats present a major setback for the heat pump movement, as many are unable to adapt to them.

Some users who have tried heat pumps report low levels of heating in cold snaps. Some report large electricity bills as they try to get their water and rooms up to temperature against a background of much dearer energy tariffs for electricity than for gas. Some experience difficulties in getting the systems to work. Installation is more complex and entails more work to the house than simply changing gas boilers.

These products are a hard sell. They are dear. On windless days the heat pumps require a lot of fossil fuel to be burned in power stations to keep them working. I will wait to see how many Ministers and senior officials do buy them and listen to their experiences if they still want to recommend them.

Stop the net zero policies that will add to CO2 and damage the UK economy

I have long been arguing that the UK government should not be taxing, regulating and banning its way to net zero, as that will collapse business here, lead to more imports, and fail to save the world as they wish. I have argued that the Green revolution can only work when it is a popular revolution, with people rushing to buy its products because they are better and more affordable. The government needs to back off from its expensive and often self defeating ideas, and listen to the public. The innovators need to find the ways in which their products can be cheaper and better as well as greener.

My critics here want me to take on the scientists over global warming which I have no wish or need to do. I accept that CO 2 like methane and water vapour is a greenhouse gas and I understand that governments and many scientists want a bit less of it. The case I am making is their policy proposals are wrong in their own terms, and damaging to economies and lifestyles for no

good reason. Cutting CO 2 here to import more from somewhere else is stupid. Some of the green products fail to cut CO 2 despite the claims. So what is the point of them unless they are better and cheaper?

Yesterday I pointed out that it is the undue haste to make people buy electric vehicles that is doing grave damage to our car industry. Despite subsidies to buy, subsidies to install chargers, and plenty of publicity battery cars still only account for 15% of the UK industry's sales. I have not myself bought an EV, yet I have usually been an early adopter of new technologies. I had one of the first mobile phones, took to the internet early, moved from maps to sat navs and the rest. So why do I not buy an EV?

I would suffer badly from range worry. My modern clean diesel car went 630 miles on the last tank full of fuel and still said it could do another 55 miles when I filled it up. It means I can go anywhere in England from my home and return without needing to refuel. I read test reports of EVs where journalists sympathetic to the new vehicles have to report problems finding the right kind of charger with the right kind of payment system available and ready to use when they go longer distances and need to recharge.

I would suffer from impatience waiting for the recharge. I can refuel at any one of thousands of diesel stations, pay and exit in less than five minutes. That's good service.

I would worry about the costs of refuelling. Electricity is mainly a secondary fuel, made from burning gas or biomass or coal. We are a long way from most electricity reliably coming from renewables. With all the generation and transmission losses it will be dearer than simply burning a primary fuel in your engine. In due course the government is bound to put a tax on it, as they cannot afford the loss of fuel duties and VAT as and when more people switch from petrol and diesel. If they put a similar level of tax on electricity for cars as they do on diesel it would be very expensive to run.

I would worry about possible damage to the battery should someone run into my vehicle. It must be dearer and more hazardous to repair an EV given the way the battery is part of the chassis and vulnerable in a shunt.

I would worry about weight and tyre wear, as these vehicles are heavier.

I would dislike the way they are trying to be mobile phones on wheels, with too any things controlled through a touch screen. Touchscreens in cars get clouded from fingers touching, are difficult to read when the sun is shining on them and often do not respond to your first or second touch. Switches are easier to see, always work and are more positive generally.

I am told they are fast. The truth is you cannot use extra speed these days as all roads are speed controlled and frequently heavy traffic usually impedes even reaching the permitted speed. My current car is potentially faster and more powerful than I could ever use on our roads.

I am told they cut CO 2 substantially. I do not think so. On a typical day

only 20% of our electricity comes from wind and solar, with no solar at night. Most EVs on many occasions are mainly refuelling using electricity generated from fossil fuels. Scrapping a diesel car with some life left in it and buying an EV adds to world CO 2 because of the amount generated when making the new car and destroying the old.

I am not surprised that EVs are still only 15% of sales. They have only been high in countries with large subsidies to boost purchases. Contrast that with the pads, laptops and mobile phones that fly off the shelves with no subsidy and no government urging. They are part of a popular revolution. I will look at other green products in future pieces. I await an electric car that I would like to buy.

<u>Will anyone save the Uk car industry?</u>

The UK government actively encouraged and supported by the opposition parties wants to shut down all the UK's manufacturing capacity to make petrol and diesel cars by 2030. It is true their method is to ban UK purchases of new vehicles, but the intent and the likely consequence is to close down the factories. That is nearly 800,000 jobs, plus all the jobs and factories making components.

The UK was a great centre for clean car diesel engines, that all have to close. Nor will the industry want the fuel tanks, drive trains, gearboxes and the rest that goes with an ICE model. Instead the UK will need batteries and electric motors needing very different suppliers. I read that the government is close to attracting a Jaguar battery plant. It will apparently cost several hundred million pounds of taxpayer subsidy, and will be just one of several battery factories we will need to try to replace the job losses from ending ICE cars. It runs the risk of setting a high cost for attracting any other battery plants. The UK becomes a soft touch in a weak position by moving to wipe out its current industry so early. Remain who said a 10% tariff on Uk car exports would do damage say nothing about the enormous damage the banning of ICE cars will do. Some in the industry worry they will face a tariff to export an electric car where they have imported the battery and much else and just screw it together. Again this is missing the main threat. Relying on electric cars when we do not have battery or other electric component manufacture will of course damage our industry. It's not the trade rules that demolish the industry. It is not being able to make most of car here.

The government needs to realise that asking the Uk to retire popular technologies and replace with products the market cannot yet afford or want at scale will not save the planet but will gravely damage our industry. The UK should not lead the bans on ICE cars. We also need to understand that getting someone to prematurely write off an older ICE vehicle to buy a new battery car can add to world CO 2 unless they do many more miles than average. They may be unable to recharge with renewable electricity. There is no point in plugging it into the mains on a no wind day.

<u>A better way to control CO 2</u>

There are things the government could do to speed it on its way towards net zero.

The most obvious cause of more CO 2 being generated in the UK is inviting in 600,000 extra people in a year. Every person brings with them a carbon footprint. Putting in all the extra homes, surgeries, schools and infrastructure will require a lot of cement, bricks and energy for construction. It's not sensible to get all of us to cut our CO 2 output if we offset that with large scale migration, driving UK figures up again.

The government should be more interested in cutting its carbon footprint. It could substitute more online meetings for many of the trips abroad by jet plane. It could save more energy in public buildings with better insulation, usage patterns and controls. It could encourage more local food growing to cut food miles, instead of promoting wilding and imports.

The railway needs to cut its CO 2 per passenger mile travelled if it wants a green endorsement. It runs too many diesels, often leaving the engines running when stopped in stations. It runs too many near empty trains, upping the CO 2 per passenger substantially.

It is quite tempting to say we should have a few more net zero targets. Lower migration and lower inflation would be popular.