



Bulb Energy Ltd
155 Bishopsgate
London EC2M 3TQ

Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London SW1A 2AA

9 April 2021

Dear Prime Minister,

As leaders of UK clean tech businesses we were all pleased to see the ambitious plan the Chancellor set out for the UK economy in the 2021 Budget. We were encouraged to see investment in green infrastructure projects around the UK. The government is showing global leadership with ambitious net zero targets and policies in this crucial year for climate action.

But we were disappointed at the lack of policies to help people play a part in reaching net zero. And as the Green Homes Grant has recently been closed and grants for electric vehicles (EVs) reduced, there's a risk that families will be priced out of the switch to green technology.

With just months until COP26, we're writing to ask you to take urgent action to make green products more affordable by reducing the rate of VAT charged on them to zero. This would make green technology cheaper for millions of households, and is only possible now we've left the EU.

We're calling for the UK to extend VAT exemption to EVs and associated charging technology, heat pumps, energy storage devices including heat batteries, solar panels, secondary or double glazing, low-carbon boilers and white goods, as well as insulation and other energy efficiency fittings. Many of these products are currently levied at the full 20% VAT rate.

Making low-carbon products and green technology cheaper will provide a welcome cash boost for hard-pressed families. For example, cutting VAT would reduce the cost of a Renault Zoe, a mass-market pure EV, by over £4,500, making it more affordable for drivers to switch away from petrol and diesel vehicles ahead of the 2030 ban.

The UK needs to make 2,000 homes carbon neutral every day for the next 11,000 days to achieve net zero by 2050. Scrapping VAT on green products would ensure no-one's left behind in the race to net zero. It's not just the business community who'd support this. In February, the Environmental Audit Committee urged the government to remove VAT on green home improvements.

Families shouldn't be taxed for choosing green options, and low-carbon technology must be affordable for everyone. Scrapping VAT on green products will boost consumer spending in green technologies, stimulate growth and create highly-skilled green jobs in all four corners of the UK. This is particularly important for clean tech businesses, who'll grow and create jobs as a result.

We greatly appreciate the significant steps that you and the government have taken to help the country recover from the COVID-19 crisis, and the world-leading commitments the UK has made to net zero. However, we must make sure that we use the recovery to help millions of families around the UK transition to green technologies.

Yours sincerely,





Oliver Jones and Luke Gavin,
Co-founders, Elmo



Gunnlaugur Erlendsson,
CEO, Enso



Charlie Jardine, Founder and
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