

UK Net Zero Strategy

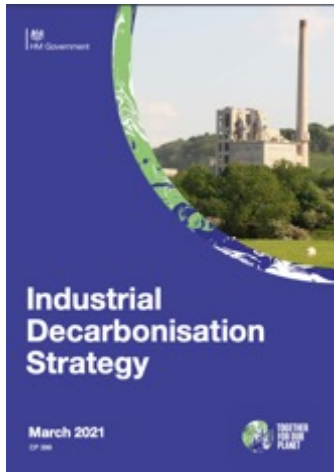
Chris Thompson, Net Zero Strategy Co-Director, BEIS

14th July 2022

The Net Zero Strategy builds on the foundations of sectoral and climate strategies to provide a comprehensive set of measures to support the UK's transition to net zero



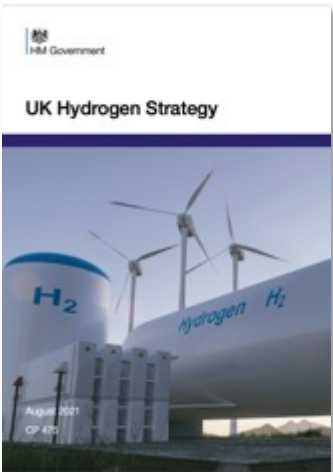
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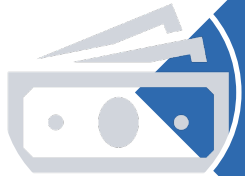


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Green and growth go hand in hand – the UK is leading the world in ending our contribution to climate change and will seize the economic opportunity it brings. The Net Zero Strategy will:



Support up to **190,000 jobs** in green industries in the mid-2020s and up to **440,000 jobs** in 2030



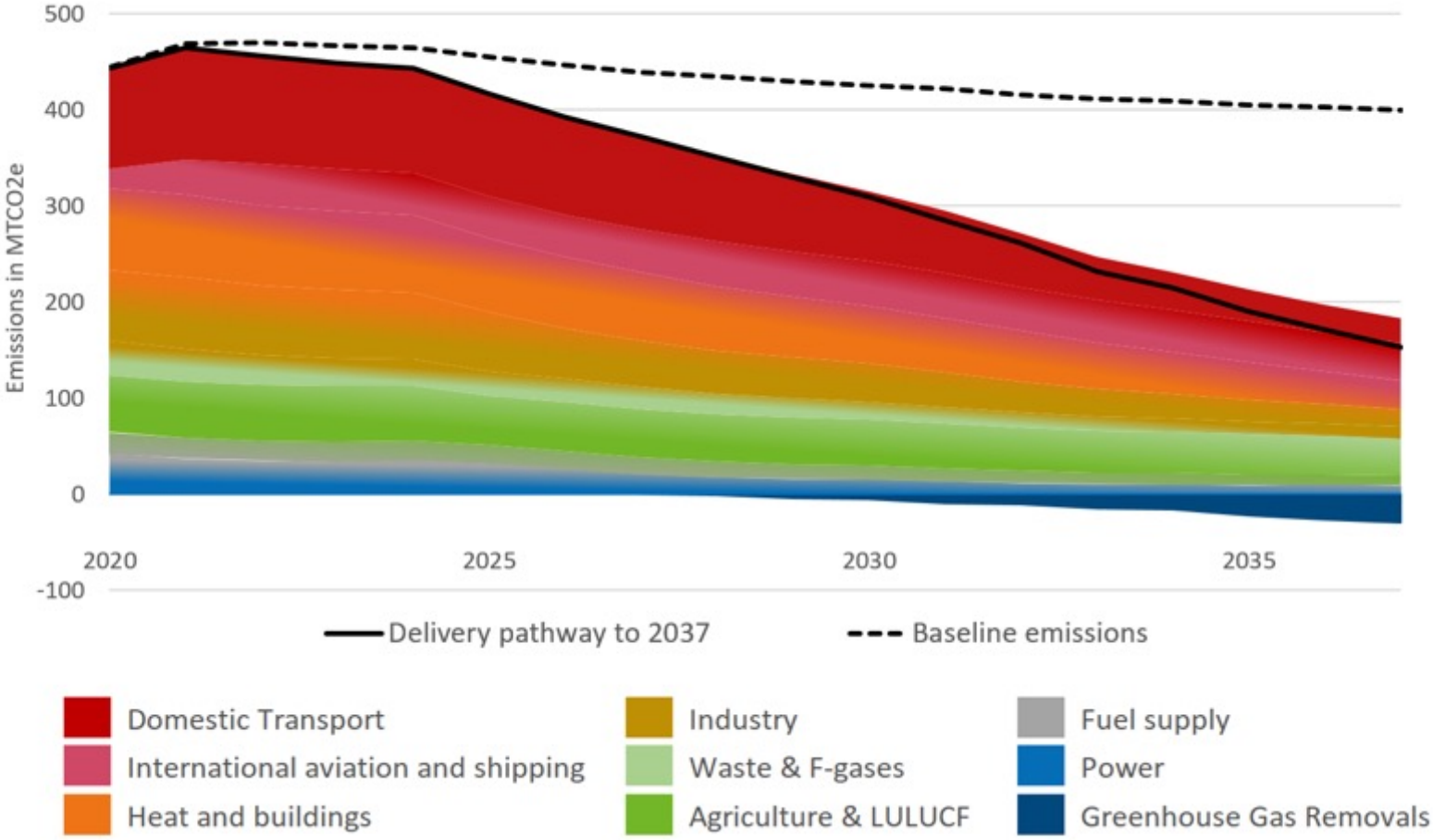
Help businesses and consumers transition to net zero, with **£26 billion of government capital investment** announced over the past year, leveraging up to **£90 billion of private investment** by 2030



Reduce emissions across the UK economy by at least **68% by 2030** and **by 78% by 2035** (including international aviation and shipping), compared to 1990 levels

The Strategy sets a path to reduce emissions across all sectors

We have developed a **delivery pathway** – an indicative trajectory of emissions reductions which meets our targets up to and including the UK’s sixth carbon budget (2033-2037).



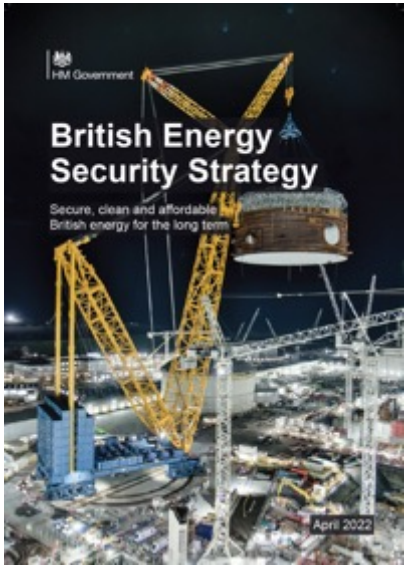
We are in implementation phase. For 2022, priorities include:

Power, hydrogen and fuel supply	Industry & GGRs	Heat & Buildings	Transport	Natural Resources, waste and F-gases	Cross-cutting
<ul style="list-style-type: none"> • Future Nuclear Enabling fund • Small Modular Reactors – Nuclear Roadmap publication • Publication of North Sea Climate Checkpoint Consultation (CCCP). • Year 1 of new Smart Meter Targets Framework. • Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS). 	<ul style="list-style-type: none"> • CCUS cluster sequencing • Manufacturing White paper • Consultation on industrial demand side policy • Industrial Energy Transformation Fund (IETF) • GGR MRV Framework Development 	<ul style="list-style-type: none"> • Launch of the following: <ul style="list-style-type: none"> - Boiler Upgrade Scheme - Home Upgrade Grant Phase 2.1 - Social Housing Decarbonisation Fund 	<ul style="list-style-type: none"> • Consult on the detail of the zero emission vehicle mandate • Second Cycling and Walking Investment Strategy (CWIS2) • Deliver key commitments from the Transport Decarbonisation Plan e.g. the Jet Zero Strategy 	<ul style="list-style-type: none"> • Publication of: <ul style="list-style-type: none"> - Lowland Taskforce - Biomass Strategy - F-gas review 	<ul style="list-style-type: none"> • Net Zero Innovation Delivery plan • Local Net Zero Forum begins • Green taxonomy consultations • Investor Roadmaps & Green jobs cross-cutting delivery group. • Green Finance Strategy 2.0

Energy markets and wider context have changed since publication of the Net Zero Strategy

- Assumptions made in the Net Zero Strategy on energy prices have not reflected real world events, especially following the Russian invasion of Ukraine.
- The dramatic rise in fossil fuel prices in recent months and the expectation that they could remain higher for longer alters the balance of risks associated with the transition to net zero and different future energy mixes.
- Wider cost of living challenges also places pressure on many of Government's levers to support the net zero transition including use of public spending and regulation.
- OBR: *“Since [high energy prices] does not alter the long-term cost of operating a decarbonised economy, it reduces the additional economic cost of getting to net zero. Even so, it could make the transition more costly from a fiscal perspective...”* (2022)

The British Energy Security Strategy response



- The Energy Security Strategy in April 2022 was published as a response to high and rising fossil fuel prices, exacerbated by the Russian invasion of Ukraine
- Government has stepped in to provide immediate support to families and businesses with rising bills, but this can't be indefinite – a longer term strategy was needed to bring the bills down and keep them down
- The Strategy sets out a package of measures to increase our energy independence and provide secure, affordable and clean energy into the future
- Short term plan - improving energy efficiency and exploiting domestic oil and gas reserves as we transition to net zero. The longer term plan sees accelerated deployment of renewable and low carbon technologies

Key points:

- **Oil and gas** – Phase out Russian imports by end of 2022 / Regulatory Accelerators for new oil and gas
- **Nuclear** – Ambition for 8 more reactors each supporting up to 10,000 jobs at peak construction
- **Solar** – Updated planning documents to support solar deployment / Part L Homes Standards interim uplift
- **Onshore and offshore wind** – Holistic Network Design / Consultations for onshore construction sites with supportive communities
- **Hydrogen** – UK Low Carbon Hydrogen Standard / Final hydrogen business model / Net Zero Hydrogen Fund
- **Demand** – ECO4 (upgrade 450,000 homes) / Boiler Upgrade Scheme / Upgrade 2000 social homes through SHDF
- **Electricity networks** – Halve the time it takes to get network infrastructure built