

Climate Change Act 2008 (2050 Target Amendment) Order 2019

Delivering net-zero by 2050

Energy UK strongly supports the call, and this legislation to make the UK net zero by 2050. This ambitious target will only be possible if the Government sets an equally ambitious policy framework to decarbonise other sectors such as transport and heat.

By passing this legislation, the UK makes a commitment to continue its world-leading role in tackling climate change. The energy sector is ready to lead further progress which will deliver benefits for the environment, the economy and customers.

The power sector has spearheaded efforts to reduce the UK's current carbon emissions to levels last seen in the 1890s. The fact that half of our electricity generation now comes from low carbon sources and the recent 18 days of coal-free generation are both testimony to a rate of progress, at a lower cost than anyone could have foreseen a few years ago.

As our recent [Future of Energy report](#) highlighted, we need to go further and faster in areas such as decarbonising transport and heating and improving the energy efficiency of our homes and businesses to meet this challenge. There is a great opportunity for the UK economy if we get this right: from reskilling workers from North Sea oil fields into low carbon offshore wind, to setting the global standards and exporting that knowledge around the world.

If the UK is to meet net-zero the following actions will need to be taken:

Low carbon power

- The right investment frameworks are crucial for the power sector to continue to enable this transformation through electrification so that net-zero can be achieved by 2050 or before.
- Energy UK firmly support the Government's approach to enabling long-term investment through frameworks such as the Capacity Market (CM) and Contracts for Difference (CfD). There is no need for radical change to mechanisms that have to date delivered security of supply and decarbonisation at significantly lower costs than expected.
- An alternative funding model for large scale low-carbon infrastructure (e.g. new nuclear, Carbon Capture Usage and Storage) will be needed so as to ensure large scale infrastructure is delivered at the lowest cost to customers.
- We must use all resource at our disposal, including removing the effective ban on new onshore wind in England, and enabling all technologies access to long-term funding through the CM and CfD.
- The effective ban on onshore wind should be overturned, allowing onshore wind developments to apply for available subsidies, and redressing the planning rules in England to allow for small-scale onshore wind developments.

Energy efficiency

- Strong regulations are needed on domestic and non-domestic properties to improve the energy efficiency ratings of their buildings. A ban on the sale or rental of properties below an EPC C rating by 2030 (or 2035 at the latest) would send a strong signal to invest in energy efficiency.
- We must build new homes to standards that are fit for the future, improving their energy efficiency but also cooling requirements.

- A centrally-funded national energy efficiency scheme should be created to support households in or at risk of fuel poverty, making use of best practice to develop solutions tailored to different areas, customers, measure types and funding arrangements.

Decarbonising heating

- Energy UK proposes a two-pronged approach to stimulating demand for low carbon solutions, calling on the Government to set out a long-term plan to remove carbon-emitting technologies from the marketplace and secondly, reviewing taxation, subsidy and incentives across all sectors.
- There is not one answer or technology that will decarbonise heating across the country. That is why Local Enterprise Partnerships should be given the powers and funding to deliver low carbon heating solutions that are right for local communities and businesses whilst taking advantage of local infrastructure.
- Fund and invest in large scale trials across the country that will help drive costs down and learn what the best options are for regions and local communities.
- Throughout the process to decarbonisation of heat, disruption and cost to consumers will be inevitable. It is therefore vital to ensure that customers are engaged with on the value of energy efficiency, the options already available for low carbon heat, and the benefits and potential impacts of the transition on their lives.

Decarbonising road transport

- A strong signal is needed to UK drivers that everyone will be required to move away from Internal Combustion Engine vehicles. The ban on conventional car sales should be brought forward to 2035 in line with the recommendation from the Committee on Climate Change.
- The private sector is already playing a crucial role in rolling out charging solutions and developing attractive offerings that appeal to drivers. To complement these private initiatives the Government could subsidise the grid connection cost of ultra-rapid chargers in strategic locations to ensure a nationwide provision of charging infrastructure.

Energy UK

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership covers over 90% of both UK power generation and the energy supply market for UK homes. We represent the diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn energy sources including wind, solar, nuclear and gas into electricity for over 27 million homes and every business in Britain. Over 680,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests over £12.5bn annually, delivers around £84bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HMT.

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