# **Government policy on reaching Net Zero by 2050**

## Westminster Hall debate briefing

### June 2023



#### **Background**

- In 2019, with support from all major political parties, the UK enshrined in law a commitment to reach net zero carbon emissions by 2050; the first major economy in the world to do so.
- At the subsequent general election, all major parties <u>included commitments</u> within their manifestos to reach net zero by 2050 or sooner. Since then, in part thanks to the UK's Presidency of COP26, <u>over 90% of the world's GDP</u> is now committed to a net zero target.
- However, the UK remains off track to meet its net zero goal and, more immediately, the fiveyearly carbon budgets as set by the UK Government as mandated by the Climate Change Act.
- The UK's net zero credentials have been criticised following the decision to approve the first deep coal mine in decades last year and after the courts found the government's Net Zero strategy to be <u>unlawful</u>.
- The cost of living crisis has demonstrated the fundamental importance of energy sovereignty
  to the UK economy. With <u>strong public support</u> for net zero, government has an opportunity
  to accelerate policies which address climate change and the cost of living cohesively.
- From improving energy efficiency to rolling out electric charging infrastructure, developing
  green skills and restoring nature, there is a broad range of ambitious policy required to meet
  net zero.

### What is the government's net zero strategy?

- The UK's net-zero strategy is a legally-binding document that sets out how the Government intends to meet its national climate targets it also represents the UK's plan that is submitted to the UN climate conference as part of the Paris Agreement. In 2022, the High Court ruled that the Government's existing climate plan was unlawful due to its failure to set out clearly how current policy would add up to the emissions trajectories required by the Climate Change Act. The Government was required to produce a new plan by 31st March 2023.
- On 30th March of this year, or 'Energy Security Day', the government made a series of key announcements and published some 44 new documents, most notably:
  - '<u>Powering Up Britain: Net Zero Delivery Plan</u>', setting out its progress towards meeting UK carbon budgets and plans for further policy action.
  - The 'Energy Security Plan', detailing plans to create energy resilience and have the "cheapest wholesale electricity prices in Europe" by 2035.
  - The 'Net Zero Growth Plan', setting out a long-term decarbonisation plan to enable a competitive UK economy by maximising green growth.
  - The '2023 Green Finance Strategy', an update to the 2019 strategy and aims to reinforce the UK's position as a world leader on green finance and investment.
  - The 'Carbon budget delivery plan', published in response to the High Court's ruling and showing how proposed policies will impact UK emissions up to 2037 and whether legally binding targets will be met.

- At the heart of the strategy is the UK's legally binding requirement to reach net zero emissions by 2050 and its commitment under the Paris Agreement to a plan (nationally determined contribution or NDC), to cut emissions by 68% by 2030, compared with 1990 levels. Within the recommendations the government quantified emissions savings to deliver 88 megatonnes or 92% of the NDC for which it has been criticised for falling short on ambition.
- It is worth noting that following Liz Truss' appointment as Prime Minister, in September 2022, the government commissioned Chris Skidmore MP to lead an independent review of net zero. The purpose of the review was to identify how the UK could meet its commitments in an affordable and efficient manner, one that is "pro-business, pro-enterprise and pro-growth". The review's findings were published in its final report 'Mission zero: Independent review of net zero' on 13 January 2023'.

## What are the main takeaways from the updated strategy and the Skidmore Review?

- 1. The planning system: the ban on onshore windfarms in England prevailed, leading to much criticism. Onshore wind has the potential to be cheaper than offshore wind, can be built quickly, has salient public support and if 35GW were to be deployed by 2035 could support 31,000 jobs and enable a £360 million export industry. MPs should call for reforms to the planning system and introduce a proportionate system which prioritises local involvement, local ownership and protecting nature. The Energy Bill should also be amended to include a commitment to reach 95% zero carbon power sector by 2030.
- 2. **Grid connections:** the strategy outlined little detail on how it plans to ensure grid connection for new windfarms, battery storage facilities and other sources of power. Some criticise that without necessary reform, including on planning, clean energy development will remain behind red tape.
- 3. **Electric vehicles:** government reaffirmed its commitment to enforce a zero-emissions vehicle mandate, which will require car manufacturers to ensure a proportion of their sales are of electric vehicles; 22% of cars and 10% of vans by 2024. This is alongside £800 million in funding for electric vehicles and a boost to EV charging.
- 4. Hydrogen, nuclear and carbon capture, utilisation and storage (CCUS): 20 new hydrogen projects are on track to receive a total of £240 million and Great British Nuclear will be a new organisation intended to accelerate forward small nuclear projects towards generating a quarter of the UK's electricity from nuclear by 2050. Eight projects CCUS were shortlisted to move ahead in its funding scheme, including one backed by BP and expects to make £20 billion of investment available over 20 years in CCS. These projects should be prioritised for the hard to decarbonise sectors such as heavy industry, rather than home heating. If energy bills rise, network charges for grid investment or finances for energy efficiency schemes for the poorest should be prioritised. CCUS should be funded by energy companies rather than the taxpayer.
- 5. Cleaner, greener, cheaper homes: the strategy reaffirmed a commitment to speed up the rollout of heat pumps. Reducing energy use is the most efficient way to cut emissions and household bills. Switching to low or zero carbon heating sources can save the average household £400 £6,000 by 2050. MPs should call for the government to bring forward consultations and work to mandate the Future Homes Standard by 2025 and for all homes sold to be EPC C by 2033. Consideration should be given to a Net Zero Homes Standard, as efficient homes will be more financially desirable to live, buy and sell.

6. **Farming:** despite a clear link between farming, food prices and energy costs, there was little mention of farming in the strategy. It is hoped the upcoming Land Use Framework will provide a route forward for addressing farming emissions and restoring landscapes to store carbon. This was originally scheduled to be released in June but is now delayed, MPs should call for an expected timeline for publication.

#### What do voters think?

- Polling by <u>ECIU</u> found three quarters (76%) of those intending to vote in the local elections in May support the UK's net zero target. Respondents were also supportive of renewables developments in their area with 64% supporting new onshore wind development and 68% supporting a solar park in their local area.
- Polling by the UN found 81% of people in the UK consider climate change to be a global emergency. This is higher than the worldwide average, which is 64%.
- Polling by <u>Onward</u> shows 64% of voters support plans to reach Net Zero by 2050, seven times
  the share (9%) who say they oppose the policy. 58% of people agreed that "The UK should
  keep its plan to reach Net Zero, even if it's going to be expensive, as we need to stop damaging
  the environment", more than double the level who think the UK should scrap the plan due to
  high costs.
- According to public opinion polling by <u>Public First</u>, 76% of people support government funding for energy efficient upgrades to homes, whilst just 10% oppose.
- Polling by <u>Ipsos Mori</u> showed that a majority of Britons, 71%, supported greater investment in renewable energy in the UK, compared to just 7% who actively opposed it. In the same survey, a slim majority (51 per cent) supported ending investments in coal, oil, and gas projects abroad.