

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tuesday 21st July 2020

Dear Chancellor

Net Zero Action Plan

The Net Zero All Party Parliamentary Group welcomes the climate announcements made in the 2020 Budget and the Chancellor's Summer Statement, but it is clear that we need to urgently scale-up our efforts if we are to achieve Net Zero by 2050 and get the UK on track.

We know there is no longer any trade-off between what is good for our economy and what is good for our climate. Given the enormity of the COVID-19 pandemic and the Net Zero challenge the Government must implement an immediate, more expansive and ambitious green recovery package to accelerate economic growth, create jobs and reduce emissions.

Our 10 point Net Zero Action Plan, based on the evidence heard by the NZ APPG in its recent 'Decarbonisation Series: Putting Net Zero at the heart of UK policy', sets out what needs to be done to scale-up. We call on you to urgently adopt and support these recommendations:

10 POINT NET ZERO ACTION PLAN

1. **Develop a clear and systematic Net Zero Roadmap** for sustainable delivery of Net Zero at scale that clarifies urgent short-term priorities, sets interim (5-year) targets, and includes robust implementation, review and governance arrangements;
2. **Build an expansive and ambitious COVID-19 green recovery package** that:
 - **is guided by the economics**, noting that green projects create more jobs, deliver higher short-term returns per Pound spend and lead to increased long-term cost savings, when compared with traditional fiscal stimulus;
 - **focuses on green job creation and workforce retooling**, especially in disadvantaged areas, wedding the COVID-19 recovery and Net Zero transition goals;
 - **prioritises energy efficiency**, with a particular focus on decarbonising space heating;

- **incentivises green infrastructure and technology development** through strategic seed investment and enabling regulatory environments in priority areas, such as renewable and firm low carbon energy, energy storage, clean industry, EV charging infrastructure and purchasing subsidies, electric buses, expanding rail networks and cycle-lanes, green hydrogen, CCS and carbon removal technologies, and adaptation; and
 - **maximises local impact** through coordination with local and regional government and industry on implementation and supply chain localisation;
3. **Make access to the Covid Corporate Financing Facility conditional upon enhanced climate commitments**, including clear corporate Net Zero business plans;¹
 4. **Enhance electricity demand response tools and incentives** for consumers and industry to increase use of energy flexibility and allow higher renewable and low-carbon energy penetration;
 5. **Develop an ambitious green hydrogen strategy** to position the UK to capitalise on the opportunities green hydrogen presents;
 6. **Bring forward ban on sale of new internal combustion engine vehicles to 2032** (from 2035) and set interim EV sales targets;
 7. **Launch a cross-departmental review of building standards** to ensure regulation, and enforcement, serves as a cohesive catalyst towards achieving Net Zero and leverages sectoral interdependencies, low carbon materials, circular economy thinking, and emerging technologies;
 8. **Establish a ‘Carbon Takeback Obligation’** for fossil fuel extractors and importers, and airlines, requiring them to permanently store an increasing percentage of the CO₂ generated by the products they sell, rising to 100% (net zero emissions) by 2050. Shifting leadership to industry will bolster existing UK plans for permanent storage of residual CO₂ emissions by increasing investment, accelerating innovation, lowering costs, and assigning responsibility more equitably;
 9. Use post-2020 UK carbon pricing architecture and the forthcoming Environment Bill to **create incentives for nature-based emissions reduction and enhanced CO₂ uptake activities**, with particular potential to offset short-lived climate pollutants from agriculture (e.g. methane); and

¹ See, for example, UNFCCC Race To Zero criteria for net zero commitments (<https://unfccc.int/climate-action/race-to-zero-campaign>)

- 10. Invest in a major communications and awareness campaign** to build popular support for the green recovery and galvanise community and individual action towards Net Zero. Key strategies could include promoting behaviour change through education and self-assessment tools, highlighting leadership and innovation through public competitions (e.g. 2030 Homes Competition).

The recommendations made in the 10 point Net Zero Action Plan are based on evidence heard and contributions made in 5 sessions held in the NZ APPG's 'Decarbonisation Series: Putting Net Zero at the heart of UK policy'.

The time to act on our recommendations is now. Our Net Zero Action Plan provides the foundations for a Net Zero Roadmap to give business, industry and the community clarity on how it will achieve Net Zero and boost the economy.

We hope that you will welcome and support our recommendations and that we may have an urgent meeting with you to discuss the immediate steps that need to be taken to scale-up.

Yours sincerely



Alex Sobel MP
Chair of the Net Zero APPG

The recommendations made in the 10 point Net Zero Action Plan are based on evidence heard and contributions made in 5 sessions held in the NZ APPG's 'Decarbonisation Series: Putting Net Zero at the heart of UK policy'. Contributions to the Series were made by the following MPs and stakeholders:

Lord Teverson
Alan Brown MP
Lord Birt
Feryal Clark MP
Barry Gardiner MP
Lord Oates
Nadia Whittome MP
Selaine Saxby MP
Baroness Walmsley
Dr Alan Whitehead
Andrew Selous MP
Lord Stunell
Philip Dunne MP
Wera Hobhouse MP

Liz Twist MP
Matt Western MP
Lord Whitty
Bernard Jenkin MP
Deidre Brock MP
John McNally MP
Baroness Sheehan
Duncan Baker MP
Jerome Mayhew MP
Kerry McCarthy MP
Baroness Young
Lord Berkeley
Sara Britcliffe MP

Lord Deben, Professor Keith Bell, Dr Rebecca Heaton, **Committee on Climate Change**
Dr David Cole, Sukhy Duggal, Vicky Hutchinson, **Atkins**
Paul Spence, Emily Follis, Vincent de Rul, Steve Hargreaves **EDF Energy**
Natasha Mahmoudian, Neal Coady, **Centrica**
Katherine Jackson, Rachel Skinner, Barny Evans, Charles Mallisard, Jim Coleman, **WSP**
Bukky Bird, **Barratt Developments**
Greame Cooper, **National Grid**
Myles Allen, Brenda Boardman, Gavin Killip, **University of Oxford**
Sir David King, **Centre for Climate Repair, University of Cambridge**
Guy Newey, Dr Rose Chard, **Energy Systems Catapult**
Lara Juergens, **Energy Industries Council**
Chantelle de Villiers, **British Retail Council**
Hywel Lloyd, **UK100**
Trevor Hutchings, **Gemserv**
Andy Eastlake, **Low CVP**
Greg Archer, **Transport and Environment**
David Brissenden, **Cenergist**
Jonathan Atkinson, **Carbon Coop**
Victoria Mills, **Royal Town Planning Institute**
Philip Box, **UK Green Building Council**
Lulu Shooter, **Federation of Master Builders**
Christina Kaiser, **Local Government Association**
Naomi Baker, **Energy Saving Trust**
Jonathan Morgan, **Electricity North West**
Jake Sumner, **SERA**