



Net Zero All-Party Parliamentary Group

Chair Alex Sobel MP
Vice-Chairs Afzal Khan MP, Alan Whitehead MP,
Alexander Stafford MP, Angus MacNeil MP, Baroness Altmann,
Barry Gardiner MP, Charlotte Nichols MP, Duncan Baker MP,
Wera Hobhouse MP, Paul Howell MP, Rosie Duffield MP,
Sir Bernard Jenkin MP, Sara Britcliffe MP, Virginia Crosbie MP.
Secretary Anna McMorrin MP
Treasurer Helen Hayes MP

Minutes

UNLOCKING NET ZERO ENERGY

What incentives, innovation and investment do we need?

Monday 11th September 2023, 17:00 – 18:00.

Boothroyd Room, Portcullis House

Key questions

‘What incentives do we need to unlock investment and innovation to achieve Net Zero energy in the UK?’.

Also asked:

- What policy incentives do consumers and business need to accelerate and afford Net Zero energy transition?
- What more can the Government – and local and combined authorities – do to unlock investment in low carbon, affordable energy solutions for consumers and industry?
- How can we unlock Net Zero innovation and accelerate the transition to clean, green, and Net Zero energy use?
- What are the barriers which need to be unlocked to go further and faster to reach Net Zero by 2050 in the UK and ensure a safe, secure and sustainable energy supply and the green industrial revolution?

CHAIR’S WELCOME AND INTRODUCTION

Alex Sobel MP, Chair, Net Zero APPG

- Alex opened the session by providing the context of the failed bid for offshore windfarms last week, and stated that the UK was stuck as a 'fossil fuel nation'. He said that the government was setting the price too high.
- This was the third session in the Net Zero APPG's Unlocking Net Zero Series for this year, and it followed the previous sessions on Unlocking Net Zero Housing and Unlocking Net Zero Cities. He also announced that there were more sessions to come on transport and hard to abate.



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- Discussed the current state of affairs, such as new oil and gas licences, projects like HyNet, and the importance of getting the energy mix right if the UK was to reach Net Zero by 2050 or sooner
- Stressed that the ambition should not be slowed and that innovation, investment and incentives were needed if the UK was to go further and faster.
- Thanked the sponsors and mentioned the launch of the Net Zero Myth busting report.
- Apologised for the shorter than usual session, which was due to the availability of rooms on the Parliamentary estate because of the busy schedule between recesses.
- Introduced panellists and the key questions for the session:
 - “This Unlocking Net Zero Energy session will look to the future and at innovative new techniques, technologies and processes designed to decarbonise the energy sector and ask, **‘What incentives do we need to unlock investment and innovation to achieve net zero energy in the UK?’**”.

UNLOCKING NET ZERO ENERGY

What incentives, investment and innovation do we need?

Running order of panellists:

Prof Myles Allen, University of Oxford

- Opened the session by saying that we needed to inject integrity back into net zero. He recalled that back in 2009, the goal was 2 degrees, and it was doable to stop using fossil fuels all together. He contrasted that with the reality, now, that we needed to reduce the amount of carbon and capture carbon at a ratio of circa 10. Argued that it was unrealistic to have 100% from reduction and reach our climate goals.
- Proposed that we needed to come back to climate compatibility test for extraction and import to make sure we could reach net zero – with integrity.

Pippa Palmer, LSBU Net Zero Business Centre

- Introduced herself as working in the retrofit market.
- Shared the research findings that people got upset when they thought about needing to think about energy in the home and how they managed it. She also said that gas



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was culturally embedded - it was warm, and it was cheap. She explained that they were sold this in the post-war years.

- Pointed out that old-fashioned coal was pushed out by the Government. She suggested that now, top-down support was needed for retrofit and clean heat to be culturally embedded.
- Asked for a policy change that would drive consumers towards the right model, with a cultural shift, towards clean energy.

Mike Theobald, WSP

- Set out the issues with deliverability: human resource and the abnormal length of time for project completion. He said that this was not due to the length of construction, but to each 'stage gate'. He suggested that we needed to be much smarter about how projects got into the ground.
- Noted that large grid scale generation required large grid scale distribution. He also highlighted the relationship between supply and demand - if the demand was not there, it was not necessary to generate the supply.
- Identified that solar, battery storage and unlocking the growth in electric vehicles as key factors.

Jack Richardson, Onward

- Introduced himself and Onward.
- Started with the national picture: Britain needed some sort of response to the Inflation Reduction Act which would be about unlocking incentives. He said that the UK could not go toe-to-toe with the EU, China or the USA, but there were things it could do.
- Claimed that there had been a shift in the debate around net zero from 'should we do net zero' to 'how do we get to net zero without punishing households?'
- Spoke about his research into people's attitudes to net zero. He cited a backlash regarding ULEZ (which, he noted, was more about air pollution than net zero) and the 2030 engine target (there was a belief that the Government would not actually do it). However, he said that they were supportive of policies to phase out polluting vehicles.
- Said that it was important to incentivise development with tangible benefits for communities on the planning system.



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Myles Allen

- Responded by saying we should be paying people not to pollute.

Sarah Long, AtkinsRéalis

- Opened the session by saying that there was no technological silver bullet to get to the 2035 energy target. She said that there were two key elements:
 - Creation of a strategic energy net zero plan
 - Deployment of a body which had accountability
- Said that there was no single plan for where the energy would come from by 2035. She also said that any schemes that were not in planning now were unlikely to be on grid by 2035, due to the length of time they took.
- Stated that between 10-15 gigawatts a year were required to get to 2035. She noted that currently the UK was producing between 3-5 gigawatts a year.
- Pointed out that while the UK had legislated for net zero, the bodies to deliver it were not yet there, e.g. Energy System Delivery Board, Future Systems Operator, and a board independent of system operators and owners.
- Mentioned that the Climate Change Committee had no such powers over delivery.
- Emphasised that investors wanted to know that their projects were part of an overall delivery plan. She said that Net Zero Energy required hundreds of billions of pounds of private sector investment.
- Summarised by saying that we needed confidence from investors with a clear view of infrastructure, requirements etc. and confidence that the right people were in charge of plan delivery.

Dr Bryony Livesey, UKRI

- Introduced herself as the leader of the Industrial Decarbonisation Challenge, which aims to kickstart the decarbonisation of major industrial clusters.
- Explained that decarbonising clusters would make a big impact on overall emissions, and that the challenge involved investing in hydrogen production, distribution and carbon capture and storage.
- Said that public investment was more than matched by private investment, which suggested that confidence was growing in the sector.
- Mentioned that many stakeholder groups had been involved in planning, such as LEPs, local councils, industry, etc.



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- Stated that the programme had helped industry to know that somebody cared about their future and their role in achieving net zero.
- Noted that across UKRI they had millions of pounds of investment on net zero, and that the key to unlocking more investment was to have real projects underway rather than theoretical ones.
- Concluded by saying that all the clusters were competing to be the first cluster to decarbonise by 2040, and that all of them claimed they could get there.

PARLIAMENTARY RESPONSE

Dr Alan Whitehead, Shadow Minister for Energy Security

- Criticised the slow pace of the systematic change and said that the low-carbon economy could not be built in the same way as the high-carbon one.
- Gave the example of offshore wind, which had specified the specific windfarm that was needed - size, location - but had no way to deliver it.
- Complained that Ofgem was asking various companies to come up with plans based on what they thought was coming up, but then cutting their plans in half as they did not get the investment Ofgem thought they should.
- Proposed that Great British Energy could bring the resources together and ensure that they had what was necessary to put them into practice.
- Praised the cluster system as a good example of putting Government in the investment seat alongside the private sector.
- Urged people to stop talking about supply side all the time and pay attention to demand side as well. He also said that long-duration storage had failed to get off the ground and would unlock many things.

CHAIR'S CLOSING REMARKS

Alex Sobel MP, Chair of the Net Zero APPG

- Thanked attendees, speakers and closed the session.

SESSION ENDS