

17 January 2023

Briefing Note

CECA Briefing:

Net Zero Review

“The UK could do more to reap economic benefits of green growth”, is the verdict from Former Energy Minister Chris Skidmore on the Government’s [Net Zero strategy](#).

Last week, 13 January, the Former Energy Minister Chris Skidmore published a review of the UK Government’s Net Zero Strategy, outlining the opportunities offered by net zero.

The Skidmore Review assumed responsibility of the rapid review of the Government’s strategy for achieving its net zero target after a commission by the then Secretary of State for Business, Energy and Industrial Strategy, Jacob Rees-Mogg MP. The review’s recommendations will need to be accepted by Government in order to have traction, but it is worth noting that they received a good level of support from the influential Environmental Audit Committee of the House of Commons. It is thought that any revision in Government policy will be announced in March.

It is positive from the review to see the emphasis on action at a local level, alongside the intertwining of economic, levelling up and net zero goals.

CECA will continue to work with members and Government to ensure the development of world class infrastructure remains a key part of the UK’s low carbon journey.

The full report is available to read [here](#).

Key recommendations for CECA members can be found below:

Nuclear

- The Government should also deliver on existing strategy by 2024.
- The set-up of Great British Nuclear (GBN) needs to be expedited in early 2023, ensuring required funding and skills are in place.
- The Government and GBN to set out clear roadmap in 2023 to ensure funding is in place. The Government should assess the possibility to increase the supply chain support to cater to a multitude of Net Zero projects.
- The nuclear roadmap needs to outline clear pathways for different nuclear technologies, including small modular reactors, to be developed and consider how to use programmatic approach to deliver further cost reductions in a competitive environment.

Creating a stable environment for business to invest

- A review regulation for new Net Zero technologies, to enable rapid and safe introduction into the market, support the Net Zero transition, and boost growth.
- All should be conducted before Autumn 2023.
- Commitment to longer term funding certainty.

Hydrogen

- The report recommends developing and implementing an ambitious and pragmatic '10 year' delivery roadmap for the scaling up of hydrogen production, by the end of 2023.
- The Government should deliver hydrogen business models as soon as legislation allows and confirm the long-term funding available for hydrogen revenue support, to incentivise timely investment.
- Public procurement plan for low-carbon construction
- A new standard for public procurement through creating of new markets for low-carbon construction, incentivise the need to use low carbon materials within public procurement guidance for bids.
- The standards for how nationwide construction should be carried out should be set by the Government. This will signal to the infrastructure and construction sectors to test innovations and start to scale them up towards the transition to Net Zero.
- The review recommends a public procurement plan for low carbon infrastructure and construction and the use of low-carbon materials, to be developed by the end of 2023.

Low carbon fuel strategy

- Develop a long-term cross-sectoral infrastructure strategy by 2025, to adapt and build respectively the distribution of liquid and gaseous fuels, electricity, and CO₂ networks over the next decade.
- The Government should consider how further certainty could be provided, including on future infrastructure requirements.
- Outdated infrastructure needs to be repurposed and new infrastructure built to support future hydrogen networks for new industrial processes, a CO₂ network as the backbone of CCUS facilities and using the existing natural gas and fuel distribution network until it becomes defunct.
- Developing a long-term cross-sectoral infrastructure strategy by 2025, to adapt and build respectively the distribution of liquid and gaseous fuels, electricity and CO₂ networks over the next decade.
- The strategy should consider future use of hydrogen, biofuels and other low carbon fuels as well as oil and gas across sectors including power, heating and transport. This could help identify potential synergies as well as infrastructure gaps, helping address barriers to new projects.
- High likelihood that some assets may become stranded as the UK heads towards Net Zero, as well as infrastructure costs acting as a barrier to using greener fuels and the continued use of legacy infrastructure and its decommissioning.

Using infrastructure to unlock net zero

- Accelerating the implementation of the British Energy Security Strategy, including creating the Future System Operator, which is required to overcome the challenges of a future involving multi-fuel energy systems, including facilitating the connection of cheaper renewables such as solar and onshore wind.
- A cross-sectoral infrastructure strategy by 2025 is required in order to support the building and adaptation of infrastructure for energy sources including green electricity, hydrogen, other liquid and gaseous fuels and CO₂ networks that work to support the future green economy.
- An approach to planning needs to be reworked, more solar and onshore wind can be developed more easily, where locally supported.

Creating sustainable governance structures for net zero

- The Government financing strategy should be developed with an over-arching focus on Net Zero and decarbonisation, by the end of 2023.

- A new governmental Office for Net Zero Delivery should be developed that will be responsible for placing Net Zero delivery at the heart of government policy.

Backing businesses to go green

- Skidmore recommends reviewing the program of incentives for investment in decarbonisation.
- Investing in the skills needed for a green transition by incentivising the 'green jobs'.
- SMEs need to be involved with the transition to a green economy, this could be achieved through launching a 'Help to Grow Green' campaign and taskforce, offering information and support to plan and invest in the transition.

Catalysing local action

- The Government should introduce a statutory duty for local authorities to take account of the UK's net zero targets, based on a clear framework of local roles and responsibilities.
- Reforming the National Policy Planning Framework at local and national level, focusing Net Zero at the core of decisions.
- The Government should support at least one city to become a Net Zero 'Trailblazer', local authority and community, with the aim for these locations to reach Net Zero by 2030.

Increasing transparency and engaging people

- The Government's public reporting on Net Zero should be expanded and continually updated. Skidmore highlights this could be achieved by ramping up public information through a refocused engagement plan, a carbon calculator to portray the carbon cost of individual lifestyle choices, such as transport and heating, and setting a new standard ecolabelling policy on products.
- It is also recommended that the Government produce a Net Zero Charter mark, highlighting the 'best in class' among firms for work in reaching Net Zero.

Capitalising on international leadership

- Removing trade barriers to environmental goods and services with countries the UK has current or future trade agreements with.

Setting the UK up for 2050 and beyond

- Investing more freely in research and development (R&D), with new Net Zero R&D grants, and a green R&D and technology roadmap leading up to 2050, focusing on 3 major projects.