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The IDRIC Policy News Update *provides a monthly round-up of key policy developments relevant to industrial decarbonisation at UK level and in the devolved administrations. Previous issues can be found here. To receive future issues per email, sign-up here.*

Contact: policy@idric.org

1. UK policy

UK Secures Record Renewable Capacity in Latest Clean Power Auction

Department of Energy Security and Net Zero

10th February 2026

The UK government has announced the results of its latest renewable energy auction, securing a record 14.7 GW of new clean, homegrown power from solar, onshore wind, offshore wind and tidal projects, a level of capacity DESNZ says is equivalent to supplying the annual electricity needs of around 16 million homes and supports private sector investment and jobs; the announcement frames this as a step towards meeting the country's 2030 clean power goals and reducing energy bills, while acknowledging that actual generation and impacts will depend on project delivery and broader electricity system factors.

More info here.

National Wealth Fund Outlines Strategic Plans to Invest more than £100 billion to Support Green Growth

National Wealth Fund

28th January 2026

The National Wealth Fund has released a new strategic plan to utilise its remaining £19.4 billion of the £27.8 billion it is capitalised with by 2031, after having already deployed £8.4 billion to date. The plan outlines three core ambitions, including accelerating investment into enabling the transition to clean energy by saving 500 million tonnes of greenhouse gas emissions by 2050. The National Wealth Fund sets out that it will focus on accelerating investment into key decarbonisation technologies and enabling infrastructure to attract private investment. This includes targeting investment in CCUS, hydrogen, power grids and energy storage. The National Wealth Fund also outlines that it will support the government's clean energy mission by mobilising capital into projects aligned with national policy aims.

More info here.

Government Announces Clean Energy Pact with Europe to Collaborate on Offshore Wind Projects

Department of Energy Security and Net Zero

26th January 2026

The UK Government has announced that the UK has signed a clean energy security pact with various European countries at the North Sea Summit in Hamburg, focusing on developing joint offshore wind projects and shared infrastructure in the North Sea. Participating countries such as Germany, Norway, France and Denmark, are working towards delivering 100 GW of offshore wind capacity through collaboration on various projects. This agreement also includes commitments to establish interconnected offshore electricity grids and aims to enhance energy security to support the transition to low-carbon power generation.

More info here.

Record Renewables Auction Results Set to support jobs and investment

Department of Energy Security and Net Zero

15th January 2026

DESNZ has set forth that results of a record offshore wind auction have attracted around £3.4 billion of private sector investment for factories, ports and domestic supply chains across the UK. DESNZ sets out that around 7000 jobs are expected to be supported across the UK, especially in industrial regions. The Government has outlined that results of the auction is set to support its wider clean energy aims and industrial strategy to contribute to future job growth.

More info here.

North Sea Transition Authority Issues £350,000 in Fines to Two Companies

North Sea Transition Authority

15th January 2026

The NSTA has imposed fines totalling £350,000 on two offshore operators for breaching regulations on venting and flaring. The NSTA outlined that these sanctions reinforce the importance of complying with industry regulations and maintaining a level playing field for all licenses. The regulator has continued to enforce venting and flaring, having imposed £1.2 million in related fines since 2021. The NSTA has encouraged operator's staff to be familiar with rules to avoid future breaches.

More info here.

UK Secures Record 8.4GW of Offshore Wind in Europe's Largest Offshore Wind Auction

Department of Energy Security and Net Zero

14th January 2026

DESNZ has announced that the UK has secured contracts to build a record 8.4GW of offshore wind in Europe's largest ever auction of offshore wind. Projects are set take place across Scotland, England and Wales. DESNZ outlines that this will provide around £22 billion in private investment as well as supporting around 7,000 jobs, particularly for the UK's industrial clusters. DESNZ also suggests that this investment is key in reaching the UK's 2030 clean power targets and lowering energy costs.

More info here.

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2. UK Parliament

Business and Trade Committee Announces Industrial Strategy and Competitiveness as Key Priorities for 2026

Business and Trade Committee

3rd February 2026

The Business and Trade Committee has announced their 2026 agenda, outlining seven key priorities following a consultation with businesses, trade unions and consumer groups. This includes a specific focus on delivering the Industrial Strategy and rebuilding UK competitiveness. The committee intends to scrutinise the government on key issues such as supporting industry, manufacturing and bringing down energy costs. This focus reflects wider concerns around UK competitiveness and the need for strategic policy which aligns economic activity with the transition to low-carbon technologies.

More info here.

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3. Scotland

Scottish Affairs Committee Warns Against Repeating Past Mistakes in Industrial Transition, Emphasising Practical Support for Communities

Scottish Affairs Committee

30th January 2026

The Scottish Affairs Committee has published its annual report on the Industrial Transition in Scotland, which sets out that communities in the Scottish central belt are still feeling the long-term impacts from historical industrial decline, such as the loss of skilled workers and socio-economic challenges. The committee now warns that there is an urgent need to avoid making the same mistakes, by ensuring that future industrial transitions include practical support for affected communities and a retention of specialist skills.

More info here.

Scottish Government Announces Ambitions and Investment for Offshore Wind Capacity and Industrial Support

Scottish Government

28th January 2026

The Scottish Government has announced that it has invested almost £150 million in the offshore wind supply chain ports and infrastructure to date, as part of its ongoing support for renewable energy. Funding now includes support for early-stage work to position the Outer Hebrides as a strategic hub for floating offshore wind development. This investment follows the government announces its decision to reset its offshore wind ambition to up to 40 GW of new offshore wind capacity by 2040. Investments are expected to facilitate industrial activity by supporting renewable energy deployment and low-carbon supply chain development across Scotland. The announcement is part of a wider effort by the government to leverage both public and private investment to support renewable energy.

More info here.

UK Government Publishes Response to Scottish Affairs Committee Report

Scottish Affairs Committee

16th January 2026

The UK Government has published a response to a Scottish Affairs Committee Report on the future of the oil and gas industry in Scotland by setting out their plans to grow the clean energy workforce. The Committee's October 2025 report warned that job creation in clean energy was not aligned with the pace of job losses in the North Sea oil and gas sector. The Government has highlight in its response, initiatives such as the Clean Energy Jobs Plan – aiming to almost double the UK's clean energy workforce by 2030 and the North Sea Future Plan.The Government rejected key findings and

recommendations from the committee, including concerns over the pace of job creation, outlining that existing policies and programmes are sufficient to create growth in Scotland's clean energy workforce.

More info here.

Scottish Budget 2026 to 2027

Scottish Government

13th January 2026

The Scottish Budget sets out the Scottish Government's proposed spending and tax plans for 2026-27, as presented to the Scottish Parliament. Relevant measures for industrial decarbonisation include:

- The Budget allocates over £5 billion to climate action, including support for renewable energy and measures to cut greenhouse gas emissions.
- £16 million will help secure a sustainable future for Grangemouth safeguarding its role as a leading industrial cluster, as well as a further £33 million within Energy Transitions to promote a secure, efficient and sustainable energy supply.
- Around £334.7 million in capital and resource funding is committed to energy efficiency and decarbonisation projects, which can benefit industrial as well as residential sectors.
- Investment routed through enterprise and innovation agencies to back low-carbon technology development, scale-up and commercial deployment.
- Backing for just transition and regional economic transition projects, aimed at helping carbon-intensive areas shift towards cleaner industries and supply chains.

More info here.

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4. Wales

Welsh Government Publishes Independent Advisory Group Report on Future Electricity Grid for Wales

Welsh Government

21st January 2026

The Welsh Government has published an update on its Independent Advisory Group on Future Electricity Grid for Wales, setting out the group's report and recommendations. The aim of the Advisory Group was to build an evidence base to advise ministers on approaches to delivering new electricity network infrastructure in Wales. This work responds to projections of growing demand for electricity related to decarbonisation and low-carbon technologies, which requires expansion and more resilient energy

networks. The evidence outlined in the report is intended to underpin future network policy and planning decisions, as ministers outline this is the first step in developing clear expectations for future grid infrastructure in Wales.

More info here.

Welsh Government Publishes Policy Statement on Hydrogen Production and Use

Welsh Government

19th January 2026

The Welsh Government has published their hydrogen policy statement, setting out their plans to support hydrogen development in Wales for the decarbonisation of energy and industry, especially in cases where electrification is impractical or difficult. This follows a public consultation and considers climate advice and UK government strategies. The policy prioritises low-carbon hydrogen production that meets UK standards, avoiding increasing reliance on fossil fuels. The policy outlines a framework for accessing future hydrogen projects and guiding planning and regulatory decisions in Wales.

More info here.

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5. Consultations and calls for evidence

- Gas system in transition: security of supply, DESNZ, closes on 18th February 2026
- Smart Secure Electricity Systems (SSES) Programme: draft load control licence regulations and conditions, DESNZ, closes on 18th February 2026
- Electricity markets – removing barriers to power purchase agreements, European Commission, closes on 20th February 2026
- Reviewing the electricity market, Energy Security and Net Zero Committee, closes on 27th March 2026
- Common biomass sustainability framework, DESNZ, closes on 27th February 2026
- Onshore electricity generation: increasing the threshold for applications under The Electricity Act, Scottish Government, closes on 27th March 2026

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6. European Union / International

EU Becomes First in the World to Establish Voluntary Standards for Permanent Carbon

European Commission

3rd February 2026

The European Commission has announced its adoption of the first set of voluntary set of methodologies for permanent carbon removals under the EU's Carbon Removals and Carbon Farming (CRCF) Regulation. These new standards are expected to provide clear, legally grounded and voluntary rules for defining a tonne of removal, permanence, and how key risks such as leakages should be managed. The Commission outlines that these standards are aimed at creating market opportunities for innovation and investment in carbon removal technologies.

More info here.

Six winners of the 2024 Innovation Fund hydrogen auction sign grant agreements, advancing renewable hydrogen rollout in the EU

European Commission

20th January 2026

Six renewable hydrogen projects have been selected in the 2024 Innovation Fund for renewable hydrogen production (IF24 Auction) to advance development across the EU. In total, these projects will receive €270.6 million, sourced from EU Emissions Trading System revenues to support renewable hydrogen production. The funding is intended to bridge the difference in production costs and the market price of products for these projects, to reduce risk for investors and encourage investment. Renewable hydrogen produced from these projects are expected to support energy transitions in sectors which are harder to decarbonise, including transport and heavy industries.

More info here.

EU Confirms Launch of Carbon Border Adjustment Mechanism and Initial Import Declarations

European Commission

14th January 2026

The EU's Carbon Border Adjustment Mechanism (CBAM) has officially entered into force, starting 1 January 2026. Member states coordinated the deployment of CBAM systems with national customs operations, to enable real-time data exchange and import processing. Customs authorities now validate CBAM authorisations for imported goods before they are released for free circulation. In the first week of implementation, around 1.65 million tonnes of goods covered by the CBAM, including iron, steel, aluminium, fertilisers and cement – were declared. The Commission states that the launch of the mechanism took place without major disruption to trade flows with stable customs processing times.

More info here.

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7. Policy reports

A selection of recent reports, briefings and other publications with relevance to industrial decarbonisation policy. To suggest publications to be featured here, please contact us at policy@idric.org

Increasing the yield of volatile fatty acids from pilot scale biorefining of steel-making syngas using recursive membrane extraction

University of South Wales, Tata Steel UK

This paper examines how carbon-rich gases from steelmaking can be turned into useful chemicals rather than released into the atmosphere. This study focuses on using microbes to ferment carbon monoxide from blast furnace gas and produce volatile fatty acids, which are widely used in fuels, plastics and chemicals. The paper shows that continuously removing these acids during fermentation, using a combination of membrane-based separation techniques, greatly increases how much can be produced and reduces unwanted by-products. Tested at pilot scale inside a working steel plant, this approach achieved much higher yields and enabled real-time monitoring of performance. This paper demonstrates a practical new route for reusing steelmaking emissions.

More info here.

Workforce Planning to deliver clean, secure energy

Energy Security and Net Zero Committee

The Energy Security and Net Zero Committee in the House of Commons has published a report evaluating the UK government's workforce planning for delivering clean energy and net zero. The report sets out that the current skills supply in the workforce does not match the levels needed to achieve net zero by 2050 or their 2030 clean energy targets. The report outlines recent government initiatives such as the Clean Energy Jobs Plan and increased funding for skills development. The report warns that without further intervention; the UK will struggle to recruit and retrain enough workers for the energy transition. The government has two months to respond to the committee's recommendations.

More info here.

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