# Industrial Decarbonisation

# Policy News Update

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## 1.UK Policy

### Government Announces £470 million Funding to Support Long-term Resilience of the Chemicals and Ceramics Sector

*Department of Business and Trade (DBT)*

21st May 2026

The UK Business Secretary has announced a combined £470 million funding package for the chemicals and ceramics industries, two strategically key sectors that have been adversely impacted by the war in Iran. A £350 million Critical Chemicals Resilience Fund has been launched to support chemicals producers and strengthen vital supply chains. In addition, a separate £120 million package was announced to help the Ceramics industry invest in energy efficiency, decarbonisation and long-term competitiveness. Combined, the funding sets out to secure thousands of skilled jobs across manufacturing, help firms modernise infrastructure and shift from gas to electricity. Trade organisations such as Chemical Industries Association and Ceramics UK have strongly welcomed this funding.

More info here.

**Coming Soon: A summary report on IDRIC's *'Decarbonising the Ceramics Sector: Building an Evidence Base'* workshop consisting of industry stakeholders on the sector's key barriers and opportunities for decarbonisation.**

## Chancellor Announces Reforms on Critical Energy Schemes and Infrastructure

*HM Treasury*

20th May 2026

The chancellor has announced plans to use parliamentary powers to accelerate approval for power stations, grid upgrades and other nationally significant infrastructure. A policy paper has been published on the proposed changes. The reforms would allow parliament to label key clean energy projects as being of 'Critical National Importance' (CNI), enabling them to be fast-tracked and reducing them from most judicial reviews, allowing legal challenges only on human rights grounds. The reforms aim to accelerate delivery of renewables, nuclear and grid connections to support the UK's 2030 clean-power ambitions.

More info here.

## North Leaders Launch £14 billion Investment Prospectus Including Decarbonisation Investment Pipelines

*York and North Yorkshire Combined Authority*

18th May 2026

Mayors and leaders from across the North have launched a joint prospectus highlighting several projects worth over £14 billion across the region. Part of the prospectus highlights energy capabilities and concentration of renewable sources in the North, as well as regional expertise in offshore wind, carbon capture, utilisation and storage, hydrogen and wider clean energy industries as core drivers of growth. Leaders outline that delivering the investment pipeline could create tens of thousands of skilled jobs in clean energy supply chains and next-generation manufacturing.

More info here.

## Major Investment for Cornish Metals Announced to Support Domestic Supply Chains of Critical Minerals

*The National Wealth Fund*

15th May 2026

The National Wealth Fund has announced up to £35 million as part of a £52 million shareholder loan to support Cornish Metals for the advancement of the South Crofty tin mine in Cornwall. Tin is classed as a key critical mineral in the UK and is essential for clean-energy technologies such as solar and wind. This new investment aims to support the National Wealth Fund's Strategic Plan to strengthen domestic supply of chains of critical minerals. This follows a previous £28.6 million equity investment and supports a project aimed at creating over 300 skilled jobs.

More info here.

## 3GW Dogger Bank South Offshore Wind Farm Projects Approved as RWE and Masdar Secure Contracts for Difference

*RWE*

14th May 2026

The UK Energy Secretary has authorised the Development Consent Orders for the Dogger Bank South East and West offshore wind projects. RWE and Masdar are developing the two sites together, with a combined planned capacity of 3GW. Both wind farms will sit more than 100 kilometres off the Northeast coast of England, set to support economic activity across Yorkshire and the Humber. The projects secured Contracts for Difference in the Government's Allocation Round 7 earlier this year. RWE and Masdar are now progressing to refine designs and procurement plans, aiming for a final investment decision in 2027.

More info here.

### SSE and RWE's Joint Venture Approved Development Consent Order in Boost for UK Offshore Wind

*RWE*

14th May 2026

The UK Government has authorised a Development Consent Order for the North Falls offshore wind farm in the southern North Sea. This project is being developed in a partnership with SSE for the construction of up to 57 turbines. The project aims to support the resilience of the UK's power system as the wind farm is expected to deliver up to 504MW of renewable electricity. The site would sit approximately 40 kilometres from the East Anglia coast. The project will now develop its designs as it to secure a future Contract for Difference in advance of a final investment decision.

More info here.

### BP Announces Sale of Stakes in Two Key UK Carbon Capture and Storage Projects

*The Guardian*

7th May 2026

BP has announced plans to sell part of its stakes in two flagship Carbon Capture and Storage (CCS) projects - Net Zero Teesside (NZT) project and the Northern Endurance partnership project. This move reflects a broader dismantling of the company's previous green agenda which has struggled to get the support of shareholders. Both carbon capture and storage plans remain key to the UK's decarbonisation plans as the exit raises uncertainty about investor confidence and delivery timelines for the UK's carbon capture emissions.

More info here.

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# 2. UK Parliament

## The King's Speech

The King's Speech is a formal address delivered by the monarch, marking the start of a new parliamentary year. The speech is written by the government and outlines their legislative agenda for the new parliamentary session.

The King's Speech took place on May 13th 2026 and highlighted a pledge to ensure energy, defence and long-term economic security. The King highlighted that Ministers will take advantage of new trading opportunities, including a bill to strengthen ties with the European Union.

The speech also mentioned the Clean Water Bill, signalling a focus on critical environmental infrastructure, with measures expected to tighten regulatory standards. The Nuclear Regulation Bill also aims to modernise the regulatory framework to support the expansion of nuclear capacity following the recommendations of the Nuclear Regulatory Review.

Read the full speech here.

The government also released a briefing prior to the speech on expected announcements on energy, the environment and animal welfare. Read the full briefing here.

## Energy Independence Bill

Energy security was a key part of the King's Speech as a central national priority and essential to long-term economic resilience and defence. Key features of the bill include:

- **Move away from Fossil fuels**

A phased transition away from fossil fuels without abandoning North Sea workers or supply chains was introduced through:

- The introduction of Transitional Energy Certificates to manage existing production
- No new licenses for exploring new oil and gas fields
- A full ban on fracking and an end to new coal licenses
- A statutory duty for the North Sea Transition Authority to consider workers, communities and supply chains

- **Accelerating Clean Energy Deployment**

The Bill is intended to provide the legislative basis for expanding and enabling faster deployment of renewable energy production and nuclear energy, strengthening national resilience through more stable, domestically sourced energy supply.

- **Grid and Infrastructure Reform**

Modernising the electricity system by cutting delays and constraints is positioned as a priority. The bill aims to track grid bottlenecks, reduce connection delays and introduce a more strategic, long-term approach to new infrastructure planning.

- **Market and Pricing Reform**

The government plans to reform how electricity prices are set for greater price stability and reduced exposure to gas-driven volatilities. Proposed reforms as well as the Electricity Generator Levy Bill, aim to break the link between gas and electricity prices, and stabilise bills. Electricity price reforms will have implications for Purchasing Power Agreements (PPAs) and long-term offtake structures

- **Expansion of Ofgem's Remit**

The bill is expected to expand Ofgem's remit, including oversight of third-party intermediaries such as energy brokers. More consumer protection and market oversight is expected through regulatory strengthening.

## The Steel Industry (Nationalisation) Bill

The Government has also introduced legislation giving it the power to nationalise steel companies, including British Steel, if public interest is met.

Steel is a key foundation of the UK economy, supporting around 37,000 jobs directly and more than 60,000 jobs across supply chains.

This comes after years of pressure on the sector from global overcapacity, high operating costs, and stalled commercial negotiations. The bill aims to protect UK steelmaking capacity, avoid sudden shutdowns of critical sites, safeguard jobs and support the ambitions set out in the Government's Steel Strategy to meet up to 50% of domestic steel demands through UK production.

British Steel could return to public ownership for the first time since its privatisation in 1988. The proposal follows the Government's 2025 intervention to keep Scunthorpe's blast furnaces running under the Steel Industry (Special Measures) Act, after commercial negotiations with the current owner failed to produce a viable sale or solution.

The bill is framed as a step toward a more resilient, modern steel sector and a route to protect thousands of jobs and critical supply chains. The bill is currently at the committee stage.

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# 3. Scotland

### Scottish Parliament Election Roundup

Scottish Parliament elections took place on 7th May 2026.

Turnout fell sharply to 53% from the record 63% in 2021 as the SNP emerged as the largest party and they will return to government with a total of 58 seats, although short of a majority.

### Notable Appointments

Following the swearing-in of MSPs, Kenneth Gibson was elected as Presiding Officer and has now resigned his SNP affiliation. John Swinney was also formally elected as first minister shortly after, with Clare Adamson (SNP) and Katy Clark (Labour) chosen as Deputy Presiding Officers.

Notable appointments by the new Scottish Government include:

- Jenny Gilruth MSP - Deputy First Minister and Cabinet Secretary for Finance and Local Government
- Stephen Flynn MSP - Cabinet Secretary for Economy, Tourism and Transport
- Gillian Martin MSP - Cabinet Secretary for Climate Action and Rural Affairs
- Stephen Gethins MSP - Minister for Europe, External Affairs and Energy
- Jim Fairlie MSP - Minister for Agriculture, Marine and the Islands

All appointments can be viewed here.

### Scottish Parliament Votes to Devolve Energy Policy to Holyrood

*Scottish Government*

28th May 2026

The new Scottish Parliament has supported a motion calling for energy policy to be formally transferred to Holyrood in a 70 to 54 vote. The Scottish Government argues that Westminster's decisions on energy policy are undermining Scotland's ability to meet its climate and economic goals. Scottish ministers say Scotland needs more authority over energy markets, grid investment and regulation to accelerate the transition to clean power. Energy Minister Stephen Gethins has formally requested the devolution of powers to accelerate the transition to clean power.

However, the UK Government has immediately dismissed these requests, saying Westminster will retain control over key decisions such as grid investment and market regulation. Ministers argued that a UK wide energy system is essential for affordability and security, insisting that major renewable investment is already flowing to Scotland under existing arrangements.

More info here. Further reading here.

### New Report Shows £10.2 Billion Economic Contribution from Green Jobs

*BBC*

26th May 2026

A think tank for the Confederation of British Industry (CBI) Economics for the Climate has published a new study, The Scottish Net Zero Economy in 2025. The study concluded that Scotland's low carbon industries now support more than 105,000 jobs and contribute £10.2 billion to the Scottish economy, representing 4.9% of Scotland's total economic output. This makes the sector larger than agriculture. Over 3,000 Scottish firms operate in the green economy, most of which are SMEs. The report also highlights that this is taking place alongside around 1,000 jobs losses a month in oil and gas. The report also suggests that with £211 billion of planned investment (around a third of the UK total), Scotland is well positioned for further growth in renewables, hydrogen, CCS and grid infrastructure.

More info here.

### Wind Estates Submits Wind Farm Bid

*BBC*

18th May 2026

Developer Wind Estate has submitted plans to the Scottish Government for seven wind turbines up to 650ft high near Loch Ryan, just north of Penwhirn Reservoir. This comes over a decade after Penwhirn Reservoir was expanded in an £8 million project, increasing capacity by almost 40%. The project could generate a significant amount of energy, contributing to Scotland's net-zero targets. Plans for a battery storage system is also included to stabilise supply and store excess energy. The project is expected to create up to 20 jobs and operate for 40 years.

More info here.

### Plans Announced for Renewable Energy Hub at Former Historic Coal Mining Site

*BBC*

11th May 2026

Plans have been submitted to create a renewable energy-hub at the former National Mining Museum in Newtongrange, Midlothian. This new project aims to repurpose the historic coal-mining site into a hub generating green electricity for the local community. The hub is being designed to provide education, training and demonstrations of low-carbon technologies. The renewable energy hub is also part of a wider investment project, which will be used to train engineering students in mechanical skills. £450,000 must be raised for this work to take place a the museum has launched a crowd-funding campaign.

More info here.

### £8 million Investment Announced for Port of Grangemouth Infrastructure Boost

*Scottish Construction Now*

7th May 2026

An £8 million investment has been announced to upgrade infrastructure at Port of Grangemouth as the port celebrates its 60th anniversary. Scotland's largest container port now handles over £6 billion of goods annually and more than 4.2 million containers since 1966. This new investment focuses on improving handling capabilities, sustainability of equipment and operational efficiency to meet future demand. The port spans 402 acres, employs 280 people, and supports 32 businesses, acting primarily as an export hub for Scottish goods.

More info here.

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## 4. Wales

### Welsh Senedd Election Roundup

Welsh Senedd elections took place on 7th May 2026.

Turnout reached 51.6%, the highest for any Senedd election, which came along with the expansion of the chamber from 60 to 96 members.

Plaid Cymru became the largest party with 43 seats. No party achieved the 49-seat majority mark as Plaid Cymru plans to govern with a minority government working with other parties.

### Notable Appointments

Rhun ap Iorwerth was sworn in as the new First Minster for Wales after securing 44 votes backed by Plaid Cymru and the Wales Green Party. Notable appointments for the Welsh Government Cabinet include:

- Sioned Williams MS - Deputy First Minister and Cabinet Minister for Social Justice and Equality
- Elin Jones MS – Cabinet Minister for Finance
- Adam Price MS – Cabinet Minister for Enterprise, Connectivity and Energy (This is the first time the Senedd has had a dedicated Minister for Enterprise, Connectivity and Energy)
- Llyr Gruffydd MS - Cabinet Minister for Rural Resilience and Sustainability

View all appointments here.

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## 5. Consultations and calls for evidence

- Permitted development rights for onshore wind turbines in England, UK Government, closes on 10th June 2026
- Eskdalemuir seismic array: revised approach to managing onshore wind turbine interference, DESNZ, closes on 12th June 2026
- UK Emissions Trading Scheme: Treatment of sustainable aviation fuel, DESNZ, closes on 15th June 2026

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## 6. Funding Opportunities

- **Innovate UK Advanced manufacturing supply chain innovation: CRD - closes on 10th June 2026**

  UK registered businesses can apply for a share of up to £6.5 million for collaborative industrial research to make supply chains more productive, resource efficient and resilient.

  Apply here.

- **DEFRA Farming Innovation Investor Partnership - closes on 17th June 2026**

  UK registered micro, small and medium sized enterprises (SMEs) can apply for a share of up to £5 million to develop innovative farming solutions. This must align with private investment from selected investor partners.

  Apply here.

- **Ofgem Strategic Innovation Fund - closes on 24th June 2026**

  Organisations can apply for a share of up to £30 million for collaborative Discovery Phase Projects that meet the Round 5 challenges

  Apply here

- **Knowledge Transfer Partnership (KTP): 2026 - 2027 Round 2 – closes on 24th June 2026**

  UK registered academic institutions, RTOs or Catapults can apply for a share of up to £10 million to fund innovation projects with businesses.

  Apply here.

- **Innovate UK Growth Cohorts: Next generation low carbon concrete cohort entry - closes on 8th July 2026**

  UK registered businesses can apply to join a cohort of ambitious businesses. These businesses will develop solutions to decarbonise concrete and access funding and sector-specific support, to develop and deliver innovation and growth plans.

  Apply here.

- **Accelerated Knowledge Transfer Partnerships 6 - closes on 15th July 2026**

  UK registered academic institutions, RTOs or Catapults can apply for a share of up to £2.5 million to fund innovation projects with businesses.

  Apply here.

- **Innovate UK Clean Maritime Demonstration Competition - closes on 15th July 2026**

UK registered organisations can apply for a share of up to £121 million across the three strands of this competition for innovative clean maritime technologies. This funding is from the Department for Transport (DfT).

Apply here: Pre-deployment trials

Apply here: Feasibility studies

- **Innovate UK Zero Emission Vessels and Infrastructure 2 - closes on 16th September 2026**

  UK registered organisations can apply for a share of up to £150 million. The funding will be to develop, deploy and operate innovative clean maritime solutions for three years in a real-world environment. This funding is from the Department for Transport.

  Apply here: Energy Efficiency,

  Apply here: Electric Power

  Apply here: Alternative Fuels

- **EPSRC Advanced Materials: highlight notice - closing date TBC**

  EPSRC is seeking to support applications through **their** standard research grant scheme in advanced materials solutions for critical minerals and in-situ and in operando materials metrology and characterisation.

  Apply here.

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## 7. Europe / International

### European Commission Announces €400 Million for 65 Projects for Heat Decarbonisation

*European Commission*

22nd May 2026

The European Commission has awarded €400 million for 65 industrial projects under the Innovation Fund Heat Auction across 10 countries in the European Economic Area to accelerate the shift to low-carbon heat. The projects selected are expected to avoid more than 6.6 million tonnes of carbon emissions over 10 years. Low-carbon technologies include resistance heating, heat pumps, solar thermal, electromagnetic heating and hybrid systems across sectors like paper, glass, steel, food and pharmaceuticals. The European Climate, Infrastructure and Environment Executive Agency (CINEA) will prepare grants to be signed in late 2026.

More info here.

## €1.3 billion Approved by European Commission for Production of Renewable Hydrogen in Germany

*European Commission*

20th May 2026

The European Commission has approved €1.3 billion in state aid to scale up renewable hydrogen production via the European Hydrogen Bank's "Auctions-as-a-Service" (AaaS) scheme. The scheme sets out to support up to 1,000 MW of new electrolyser capacity and generate as much as 10 million tonnes of renewable hydrogen, potentially avoiding 55 million tonnes of carbon emissions. This funding will be awarded through a competitive EU-run bidding process by the European Climate, Infrastructure, and Environment Executive Agency (CINEA). Direct grants will be paid per kilogram of renewable hydrogen produced for up to a decade.

More info here.

## European Commission Holds High-Level Roundtable on Emissions Trading Scheme (ETS)

*European Commission*

18th May 2026

On 12th May 2026, the European Commission convened around 60 stakeholders in a high-level roundtable for a review of the upcoming EU ETS and Market Stability Reserve for 2031–2040. Stakeholders supported continued progress toward decarbonisation as the roundtable identified policy priorities such as strengthening the ETS as a driver for investment, ensuring predictability and protection against carbon leakage. Stakeholders emphasised the need for affordable energy and infrastructure access, lead markets for low-carbon products, better financing, circularity, economic security, and regulatory simplification. Insights from the roundtable will inform the European Commission's legislative proposals, currently scheduled for 15th July.

More info here.

## European Energy Exchange (EEX) Publishes Revised 2026 EU ETS Auction Calendars

*European Commission*

12th May 2026

The European Energy Exchange (EEX) has published an updated 2026 calendar for EU ETS auctions. The published Calanders now show 50 million allowances auctioned for the Social Climate Fund, which includes 10 million allowances originally allocated to member states. The amended European Climate Law postpones emissions trading for buildings, road transport and additional sectors by one year. Auction calendars cover all allowance streams — Member States, Innovation Fund, Modernisation Fund, Recovery & Resilience Facility (RRF), and the Social Climate Fund. Further adjustments may be released for the September to December period due to Market Stability Reserve Operations.

More info here.

## European Commission Holds High-Level Stakeholder Discussions on Circular Economy

*European Commission*

30th April 2026

A high-level stakeholder discussion was held by Executive Vice-President Stéphane Séjourné and Commissioner Jessika Roswall for insights on the upcoming Circular Economy Act. The act aims to support Europe's transition to a circular economy, reducing reliance on critical raw material imports and strengthen economic reliance. The discussions centred on unlocking the single market, recovering critical raw materials from waste and building a stronger market for secondary raw materials. Following this discussion, over 1,000 participants will discuss policy options, including simplifying rules for secondary materials and improving access to circular feedstocks.

More info here.

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## 8. 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

### Compliance Checklist for Decarbonising Maritime Shipping

*IDRIC, CGI*

The regulatory landscape for maritime decarbonisation has become a dense web of overlapping international, EU, and UK regulations. This report offers a clear, compliance-focused overview of some key regulations that drive maritime decarbonisation globally, in the EU, and the UK. It organises the complex compliance requirements into four practical focus areas: reducing emissions and adopting alternative fuels, monitoring and reporting, emissions trading, and port state controls. Designed as a "compliance checklist" for ship operators and port companies, it outlines regulatory coverage, exemptions, responsibilities, and required documentation. By consolidating diverse instruments into one framework, the report helps stakeholders align fleet decarbonisation strategies, fuel choices, data systems, and contracts with evolving compliance obligations. It also highlights the importance of staying alert to policy changes and investing in digital solutions to manage compliance risks effectively.

Download.

### Decarbonising Maritime Shipping: Regulatory Landscape

*IDRIC, CGI*

Maritime shipping accounts for approximately 3% of total global greenhouse gas emissions and at the current rate, could increase to 10% by 2050. Governments and regulators worldwide are implementing regulatory frameworks to help decarbonise the sector. This report explains the changing regulatory landscape across the IMO, EU, and UK, focusing on three main areas: optimising emissions and energy efficiency, providing infrastructure and enforcing compliance, and influencing digital solutions. The report helps maritime stakeholders to navigate the increasingly complex regulatory environment and its implications. It concludes that operators that proactively adopt compliance measures, engage with digital solutions, and invest in energy efficiency technologies can position themselves to thrive in the zero-carbon maritime sector of the future.

Download.

### Decarbonising the Glass Sector: Building an Evidence Base - Workshop Summary Report

*IDRIC*

IDRIC's sector-specific workshop on the glass sector was held online on 18th February 2026, discussing techno-economic barriers, opportunities, and policy recommendations for the sector in its transition to low-carbon technologies. Attendees were UK-wide industry stakeholders across flat glass, container glass, and glass wool manufacturers. The UK glass sector is motivated to decarbonise and is engaged in exploring a range of decarbonisation technologies and pathways. Many of the core technical solutions already exist such as electric furnaces, hybrid systems and alternative fuels. The main barriers are now economic rather than technical. The UK faces structurally higher fuel and electricity costs as electricity and alternative fuels remain significantly more expensive than natural gas. Financial barriers mean firms difficulty securing capital for long-lived assets in an uncertain policy environment. This document is a summary of the discussions held at the workshop, including key barriers, opportunities and policy recommendations.

Download.

**Coming Soon: A summary report on IDRIC's *'Decarbonising the Ceramics Sector: Building an Evidence Base'* workshop consisting of industry stakeholders on the sector's key barriers and opportunities for decarbonisation.**

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