



Industrial Decarbonisation Policy News – April 2022

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UK Government

British Energy Security Strategy

UK Government / BEIS

7th April 2022

The Government published its Energy Security Strategy. Key commitments include:

- Nuclear supply will be scaled up rapidly to deliver 24GW by 2050, with Small Modular Reactors forming a key part of the nuclear project pipeline.
- Offshore wind is set to supply 50GW by 2030, with up to 5GW from floating offshore wind in deeper seas. This will be underpinned by new planning reforms to cut the approval times for new offshore wind farms.
- A licensing round for new North Sea oil and gas projects is planned to launch in Autumn.
- The Government will consult on developing partnerships with a limited number of supportive communities for onshore wind.
- The Government plans to deliver 10GW of low carbon hydrogen by 2030, with at least half coming from green hydrogen.
- 90,000 jobs are predicted in offshore wind by 2028; 10,000 jobs in solar power by 2028; and 12,000 jobs in the UK hydrogen industry by 2030.

The Energy Security Strategy also contains a recognition of the need to reduce **timelines for planning and consenting** of key infrastructure, in particular for off-shore wind but also more widely via strengthening the Renewable National Policy Statements to reflect the importance of energy security and net zero.

More information [here](#).

Hydrogen Investor Roadmap announced, including updates on the Net Zero Hydrogen Fund, Low Carbon Hydrogen Business Model and Low Carbon Hydrogen Standard.

BEIS

8th April 2022

BEIS published its Hydrogen Investor Roadmap setting out the Government's 2035 delivery plan and highlighting investment opportunities across the hydrogen value chain. The publication also included long-awaited updates on the design of:

- [The Net Zero Hydrogen Fund](#)
- [The Low Carbon Hydrogen Business Model](#)
- [Low Carbon Hydrogen Standard](#)

The Government response to the consultation on a Low Carbon Hydrogen Business Model, which ran from August to October 2021, now also includes the intention include **hydrogen as feedstock** in the business model, which means that feedstock users such as the chemical sector or ammonia production could access subsidised hydrogen. BEIS recognises the benefits of selling low carbon hydrogen to existing carbon intensive hydrogen users (e.g. easy target market, clear carbon reduction benefit) and will further consider whether additional measures are needed to address possible risks of overcompensation and causing market distortions.

More information [here](#).

BEIS – Carbon Capture, Usage and Storage Announcements

BEIS

8th April 2022

- **Investor road map.** BEIS published a road map which outlines key opportunities to invest in CCUS in the UK. IDRIC is mentioned as a key existing component of the strategy (p.15). More information [here](#).

12th April 2022

- **Dispatchable Power Agreement business model.** BEIS are seeking views on their proposed business model for CCUS as outlined in the Dispatchable Power Agreement. This consultation closes at 11:45pm on 10 June 2022. More information [here](#).
- **Industrial Carbon Capture business model.** BEIS are seeking views on their proposed business model for Industrial Carbon Capture. This consultation closes at 11:45pm on 10 June 2022. More information [here](#).

BEIS announces support for high energy users

BEIS

29th April 2022

High energy usage businesses are set to receive further support for electricity costs as the government has confirmed details of the **Energy Intensive Industries (EII) compensation scheme**. The scheme provides businesses with relief for the costs of the UK Emissions

Trading Scheme (ETS) and Carbon Price Support mechanism in their electricity bills. More information [here](#).

HM Treasury sets up Transition Plan Taskforce to assist corporate climate disclosure

HM Treasury

25th April 2022

The Treasury launched a UK Transition Plan Taskforce (TPT) this week, to develop a 'gold standard' for climate transition plans for UK companies under a new regime aimed at establishing good practice among firms. Chancellor of the Exchequer Rishi Sunak also confirmed that the UK Government has developed a science-based 'gold-standard' verification scheme for the plans, to safeguard against greenwashing. This scheme has been drawn up in collaboration with industry representatives, academics, regulators and civil society groups. The TPT will be led by a steering group of business leaders and will be co-chaired by Economic Secretary to the Treasury John Glen, and Aviva's chief executive Amanda Blanc. A supporting group has also been set up, consisting of representatives from the likes of Unilever, NatWest and Orsted. The TPT will develop guidance for financial institutions and listed companies to help create transition plans, with a two-year mandate in place. The TPT will also inform the implementation of the UK's Sustainability Disclosure Requirements. More information [here](#).

Westminster

Inquiry on Technological Innovations and Climate Change: Green Steel [Session 1]

Environmental Audit (Commons) Committee

20th April 2022

The Committee has been conducting an inquiry on green steel, receiving evidence from began its new inquiry on green steel, hosting Frank Aaskov, Energy and Climate Change Policy Manager at UK Steel, Professor David Worsley, Director at Strategic University Steel Technology and Innovation Network, Professor Barbara Rossi, Associate Professor and Tutorial Fellow in Engineering Science, the Sustainable Metal Structures Research Group at University of Oxford, and Ebrahim Takolia, CEO at Green Hydrogen Solutions, as witnesses. Professor Worsley highlighted the opportunities to explore green hydrogen in relation to the net zero transition in South Wales, while Mr Aaskov highlighted novel technologies which are being explored to help the steel sector transition. The witnesses also discussed the potential of hydrogen within the UK economy more generally, while Mr Takolia explored the challenges in relation to the implementation of carbon capture, utilisation and storage technologies.

[Recording](#) and [transcript](#) available.

Inquiry on Technological Innovations and Climate Change: Green Steel [Session 2]

Environmental Audit (Commons) Committee

27th April 2022

The Committee continued its new inquiry on green steel, taking evidence from Lee Adcock, Environment and Sustainability Director at British Steel, Antonia Grey, Head of Policy and Public Affairs at British Metals Recycling Association, and Ana Musat, Head of Policy at

Aldersgate Group. The session focused on the acceleration of research into solutions for the industry, including the necessary funding for universities across the UK. The session also explored possible technological solutions that could be used across the steel sector and the role of the UK Government in the transition of the sector.

[Recording](#) available.

Net Zero APPG: 2022 Parliamentary Officers confirmed

27th April 2022

Following an annual general meeting this week, the APPG has re-elected Alex Sobel MP as the Chair. Most remaining members also been re-elected, with the exception of Lord Teverson, Kerry McCarthy MP and Liz Twist MP. Afzal Khan MP (Labour, Manchester, Gorton) Alexander Stafford MP (Conservative, Rother Valley) have been newly elected as members. More information [here](#).

Greening Imports: a UK Carbon Border Approach, Report Published

Environmental Audit (Commons) Committee

4th April 2022

The Committee has published a report on greening imports and the UK's carbon border approach. The report argues that the UK Government should develop plans for a carbon border adjustment mechanism (CBAM) to address carbon leakage. More information [here](#).

Oral evidence session on UK Energy Supply and Investment

Economic Affairs (Lords) Committee

5th April 2022

Witnesses in this session included Lord Turner of Ecchinswell, Chair of the Energy and Transitions Commission, Institute for New Economic Thinking (INET), Tom Greatrex, CEO, Nuclear Industry Association and Tom Samson, CEO, Rolls-Royce SMR. Of note, Lord Turner said that the transition to net zero globally would require electrifying as much of the economy as possible and building a zero-carbon electricity system, primarily by using renewables, the cheapest being onshore wind, and extending the life of nuclear power. He said the most important barriers were the pace of planning and permitting of new generation. Turner also said that INET was about to publish a paper on carbon capture which would argue that it was small but vital for the transition to net zero and deserving of Government support. A recording is available [here](#).

Scotland

Business Plan for Unlocking Investment in Scotland's Energy Sector

Scottish Government

14th April 2022

Energy Task Force, a sub-group of the established Scottish Energy Advisory Board, has produced Joint Business Plan for Unlocking Investment in Scotland's Energy Sector. It

focuses on the actions stakeholders need to take in order to attract investment in projects that support net zero, including the decarbonisation of electricity generation, transport, oil and gas transition, infrastructure and technologies such as hydrogen or carbon capture, to generate economic benefit across Scotland and the wider UK over the next few years. More information [here](#).

£5 million to develop carbon dioxide utilisation technology

Scottish Government

11th April 2022

Administered by Scottish Enterprise and match-funded by industry, the CO2 Utilisation Challenge Fund has been launched to help businesses and organisations develop and commercialise the technology, which involves harnessing and converting CO2 and using it to produce valuable products such as synthetic fuels and proteins for use in aquaculture. More information [here](#).

ScotWind developers set out multi-billion-pound supply chain commitments

Crown Estate Scotland

27th April 2022

Crown Estate Scotland has published Supply Chain Development Statement (SCDS) Outlooks, plans which detail how each of 17 ScotWind applicants could source products, materials, and labour to construct, erect, and service the fixed and floating offshore wind projects. They set out initial commitments across the full life cycle of projects, from development, through to operations & maintenance and the manufacturing and construction phases. Across each of the projects, the plans suggest an average spend of £1.5bn in Scotland. More information [here](#).

ScotWind clearing process opens

Crown Estate Scotland

26th April 2022

Crown Estate Scotland has opened a clearing round, allowing unsuccessful applicants who met the required standards during the initial round to revise their application for an alternative location. The deadline for applications is 10th May and results will be announced in autumn 2022. More information [here](#).

Wales

Offshore Energy Cluster aims to realise North Wales' low-carbon potential

Welsh Government

20th April 2022

M-SParc has been chosen as the accountable body for the Offshore Energy Alliance (OEA) – a supply chain cluster established to take advantage of the opportunities offered by offshore energy in North Wales. The North Wales coast has been identified as a prime location to take advantage of growing demand for low-carbon energy production and the OEA will ensure that local businesses can make the most of these opportunities. It will help

build on existing capabilities to further develop local SMEs, skills and innovation institutions across the region. More information [here](#).

Written Statement on UK Energy Security Strategy

Welsh Government

8th April 2022

Minister for Climate Change Julie James has commented on the UK Government's Energy Security Strategy which was published last week. Ms James said that the "strategy sets out an approach to energy supply that risks locking the UK into continued reliance on fossil fuels and places significant financial burdens on future generations when there are cheaper alternative options for deploying large scale renewable generation". However, Ms James praised the focus on offshore wind and said that she will be pressing the UK Government to develop an offshore wind industrial strategy to maximise the potential opportunities for the economy and communities in Wales from the investment planned, including the opportunities to generate hydrogen alongside off-shore wind. More information [here](#).

News

Climate Change Committee Response to UK Government's Energy Security Strategy

7th April 2022

CCC Director Mike Thompson has commented on the Energy Security Strategy. He praised Government for bolder targets in low carbon technology but raised concerns around delivery plans for the scale and pace required. More information [here](#).

Green Jobs Call powering £2 million new Green Energy Hubs project

Scottish Enterprise

13th April 2022

With funding from Scottish Enterprise Green Jobs Call, part of the Scottish Government's Green Jobs Fund, Edinburgh-based renewable energy firm Locogen has begun working on its innovative Green Energy Hubs project to help create high-quality roles. Green Energy Hubs are designed to overcome some of the most common issues facing the expansion of renewables, including grid constraints and curtailment. Locogen's first Green Energy Hub project is looking at the development of wind and solar farms and an electrolyser for the production of green hydrogen. More information [here](#).

Calls for evidence and consultations

- Hydrogen Business Model and Net Zero Hydrogen Fund: market engagement on electrolytic allocation – closes at 11:45pm on 6th May. [Link](#) to consultation.
- Environmental Audit (Commons) Committee inquiry: Accelerating the transition from fossil fuels and securing energy supplies – closes 6th May. [Link](#) to call for evidence.
- Carbon capture, usage and storage: Dispatchable Power Agreement business model – closes at 11:45pm on 10th June. [Link](#) to consultation.
- Carbon capture, usage and storage: Industrial Carbon Capture business model – closes at 11:45pm on 10th June. [Link](#) to consultation.
- Developing the UK Emissions Trading Scheme – closes at 11:45pm on 17th June. [Link](#) to consultation.

