



Industrial Decarbonisation Policy News – August-September 2022

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UK Government

Cabinet appointments to the UK Government

Following her official appointment as the UK Prime Minister, Liz Truss appointed her first cabinet with campaign supporter Therese Coffey promoted to Deputy Prime Minister and Kwasi Kwarteng as Chancellor. Relevant appointments announced so far include:

- Rt Hon Liz Truss MP, Prime Minister, First Lord of the Treasury, Minister for the Civil Service, and Minister for the Union
- Rt Hon Kwasi Kwarteng MP, Chancellor of the Exchequer
- Rt Hon Dr Therese Coffey MP, Deputy Prime Minister and Health Secretary
- Rt Hon Suella Braverman MP, Home Secretary
- Rt Hon Ben Wallace MP, Secretary of State for Defence
- Rt Hon Jacob Rees-Mogg MP, Business, Energy & Industrial Strategy Secretary
- Rt Hon Anne-Marie Trevelyan MP, Transport Secretary
- Rt Hon Simon Clarke MP, Levelling Up, Housing & Communities Secretary
- Rt Hon Kemi Badenoch MP, International Trade Secretary
- Rt Hon Ranil Jayawardena MP, Environment, Food & Rural Affairs Secretary
- Rt Hon Chloe Smith MP, Work & Pensions Secretary
- Rt Hon Nadhim Zahawi MP, Chancellor of the Duchy of Lancaster
- Rt Hon James Cleverly MP, Foreign Secretary
- Rt Hon Kit Malthouse MP, Education Secretary
- Rt Hon Michelle Donelan MP, Digital, Culture, Media & Sport Secretary
- Rt Hon Penny Mordaunt MP, Leader of the House of Commons
- Rt Hon Brandon Lewis CBEMP, Justice Secretary
- Rt Hon Chris Heaton-Harris MP, Northern Ireland Secretary
- Rt Hon Alister Jack MP, Scotland Secretary
- Rt Hon Robert Buckland MP, Wales Secretary
- Lord True CBE, Leader of the Lords
- Rt Hon Alok Sharma MP, COP26 President
- Chris Philp MP, Chief Secretary to the Treasury (attending Cabinet)
- Michael Ellis MP, Attorney General (attending Cabinet)
- Wendy Morton MP, Chief Whip (attending Cabinet)
- Graham Stuart MP, Climate Minister (attending Cabinet)
- Tom Tugendhat MP, Security Minister (attending Cabinet)
- James Heappey MP, Armed Forces and Veterans Minister (attending Cabinet)
- Vicky Ford MP, Development Minister (attending Cabinet)
- Edward Argar MP, Paymaster General (attending Cabinet)
- Berry MP, Minister without Portfolio (attending Cabinet)

Energy Price Guarantee announced

Prime Minister's Office

8th September 2022

In her first major policy announcement as Prime Minister, Liz Truss announced that, from 1st October, a new 'Energy Price Guarantee' will be applied on domestic energy bills, meaning a typical UK household will now pay up to an average £2,500 a year on their energy bill for the next two years. This is automatic and applies to all households, while equivalent package will apply for businesses and the public sector.

More information [here](#).

Horizon Europe financial safety net extended

Department for Business, Energy and Industrial Strategy

1st September 2022

The Government has announced an extension to the financial support provided to Horizon Europe applicants, originally launched in November 2021, protecting funding for UK researchers, businesses, and innovators. The guarantee will now be in place to cover all Horizon Europe calls that close on or before 31 December 2022.

More information [here](#).

Proposals for hydrogen transport and storage business models

Department for Business, Energy and Industrial Strategy

31st August 2022

BEIS have launched a consultation into the design of new business models for hydrogen transport and storage. The consultation seeks views on: design options, strategic planning, market frameworks, commercial arrangements, non-economic regulatory frameworks and blending. The consultation closes 22nd November.

More information [here](#).

Policy paper on speeding up planning process for major national infrastructure projects (NSIPs)

Department for Levelling Up, Housing and Communities

30th August 2022

The government has [published a policy paper](#) outlining steps which seek to speed up the planning process for major national infrastructure projects (NSIPs), which include essential infrastructure for energy security and Net Zero. It suggests amendments to the Levelling Up and Regeneration Bill to enable ministers the relevant Secretary of State to set a shorter statutory timeframe for a Development Consent Order examination. Amendments will be debated in the Commons Committee stage of the Bill.

More information [here](#).

Guidance on the Energy Security Bill

Department for Business, Energy and Industrial Strategy

26th August 2022

The Government has published policy statements and indicative draft statutory instrument regulations relating to the [Energy Security Bill](#) introduced to Parliament on 6 July 2022. The guidance provides detailed information about policy objectives and proposed measures. The Bill is currently being debated in the House of Lords (see below).

More information [here](#).

Cluster sequencing for carbon capture, usage and storage (CCUS) deployment: power bioenergy with CCS (BECCS)

Department for Business, Energy and Industrial Strategy

24th August 2022

Call for submissions from power BECCS projects wanting to take part in Track-1 of the CCUS Cluster Sequencing Process.

More information [here](#).

Low Carbon Hydrogen Supply 2 Competition: applications open for Stream 1 Phase 2

22nd August 2022

The Competition supports innovation in the supply of hydrogen, reducing the costs of supplying hydrogen, bringing new solutions to the market, and ensuring that the UK continues to develop world leading hydrogen technologies for a future hydrogen economy. The competition is delivered via 2 streams, and Stream 1 is being run over 2 phases. Phase 2 will down select projects from Phase 1 and support demonstrations at up to £6 million per project. Phase 2 is open to applicants who were successful in receiving funding to Stream 1 Phase 1 and have submitted their Final Phase 1 Feasibility Report to BEIS.

More information [here](#).

UKRI's corporate plan published

UKRI

22nd August 2022

The plan sets out how UKRI will spend its annual £7.9bn budget and support the government's ambitions for the UK to be a global leader in research and innovation and attract investment. Headline commitments include an extra £185 million across UKRI to target global and national challenges, including the move to net zero through a new 'Building a Green Future' programme

More information [here](#).

UK requests formal consultations on participation in EU science and research programmes

Foreign, Commonwealth and Development Office

17th August 2022

The Government has initiated formal consultations with the EU, with the aim of finalising UK's participation in EU science and research programmes, including Horizon Europe, Copernicus, Euratom Research and Training, Fusion for Energy or Space Surveillance and Tracking as soon as possible.

More information [here](#).

Projects shortlisted for Phase 2 of Track 1 of the CCUS cluster process

Department for Business, Energy and Industrial Strategy

12th August 2022

Following the selection of Hynet and East Coast Cluster as Track 1 CCUS clusters in November 2021, the government has selected 20 power CCUS, industrial carbon capture (ICC), waste and CCUS-enabled hydrogen projects to proceed to the due diligence stage of the Phase-2 Cluster Sequencing process. The shortlisted projects are located in North East England, Humber, North West England and North Wales and further information on the final projects is expected in due course.

More information [here](#).

BEIS launch consultation on the Energy Intensive Industries Exemption Scheme

Department for Business, Energy and Industrial Strategy

12th August 2022

The Government has launched a consultation seeking views on potential exemption from certain policy costs for energy intensive industries within the context of high UK industrial electricity prices, in order to boost commercial viability and competitiveness of domestic manufacturing. The Government is proposing further relief for such businesses and seeks to increase the level of exemption from 85% to 100% under the Energy Intensive Industries Exemption Scheme, which provides relief for the costs of renewable levies, including Contracts for Difference, Renewable Obligation and Feed in Tariffs. The consultation closes 16th of September.

More information [here](#).

Consultation opens on the business model for power bioenergy with carbon capture and storage (power BECCS)

Department for Business, Energy and Industrial Strategy

11th August 2022

BEIS have launched a consultation seeking views on the government's minded-to position for a business model to support the deployment of power bioenergy and carbon capture and storage.

The minded-to business model can be found [here](#), with further information [here](#).

Sustainable biomass production boosted by UK Government funding

Department for Business, Energy and Industrial Strategy

4th August 2022

Innovative biomass projects across the UK have been awarded £37 million in funding, as the government drives forward its plan to scale up domestic renewable energy, including from biomass.

More information [here](#).

Successful Hydrogen BECCS Innovation Programme projects announced

Department for Business, Energy and Industrial Strategy

4th August 2022

The Programme supports technologies which can produce hydrogen from biogenic feedstocks and be combined with carbon capture and storage. It forms part of the BEIS £1 billion [Net Zero Innovation Portfolio](#), which aims to accelerate the commercialisation of innovative clean energy technologies and processes through the 2020s and 2030s. 22 winners of the £5 million Phase 1 of the programme have been announced.

More information [here](#).

Policy Paper: Electricity networks strategic framework

4th August 2022

BEIS have published a strategic framework sets out actions the government and Ofgem are taking to ensure the electricity network can act as an enabler of a secure, resilient, net zero energy system.

More Information [here](#).

Report on the benefits of long-duration electricity storage

Department for Business, Energy and Industrial Strategy

3rd August 2022

BEIS have published a piece of research providing insight into the requirements for long-duration electricity storage between 2030 and 2050, and the associated impacts on the British electricity system.

More information [here](#).

UK energy in brief 2022

Department for Business, Energy and Industrial Strategy

2nd August 2022

BEIS have published a booklet summarising latest statistics on energy production, consumption, prices and climate change in the United Kingdom, along with the corresponding data.

More information [here](#).

Westminster

UK Parliament returned from summer recess on Monday, 5 September.

Energy Bill – Committee Stage

5th and 7th September 2022

The Energy Bill, introduced to Parliament on 6th July, is currently being examined in the House of Lords at the Committee stage where various amendments are being debated. The Bill aims to make provision about energy production and security and the regulation of the energy market, including provision about the licensing of carbon dioxide transport and storage; about commercial arrangements for industrial carbon capture and storage and for hydrogen production, about the Independent System Operator and Planner and related areas.

More information, including minutes of the committee discussions on 5th and 7th of September, [here](#).

A research briefing by the House of Lords Library can be found [here](#).

All Party Parliamentary Group on Hydrogen – July meeting minutes published

18th July 2022

Minutes from July's meeting of the group have been published. Chaired by Jacob Young MP (Con, Redcar), the meeting saw contributions by Lord Oates (LibDem, Vice-Chair of Net Zero APPG), Chris McDonald (CEO, Materials Processing Institute) and Matthew Day (Leader of EDF's Renewables' Strategy and Hydrogen Team). The session the use of hydrogen in heavy industry and particularly steel, with focus on Teesside. The UK Government's support required to aid the development of hydrogen markets was also discussed.

More information [here](#).

Scotland

Programme for Government 2022-2023 published

Scottish Government

6th September 2022

The Scottish Government published its annual Programme for Government (PfG), largely focused on tackling the cost-of-living crisis, as well as delivering on Year 2 of the SNP's manifesto. Of note, PfG reaffirms Scotland's potential for renewable energy generation and developing hydrogen economy with greater details expected in forthcoming Energy

Strategy and Hydrogen Action Plan, scheduled for publication this autumn. PfG also commits to develop a Just Transition Plan for the Grangemouth Industrial Cluster, although no timelines were introduced, and to refresh its Climate Emergency Skills Action Plan by the end of 2023. Finally, PfG reaffirms last year's commitment to continue investing into manufacturing industries to help them decarbonise.

More information [here](#).

Convenor of the Net Zero Committee steps down

Scottish Parliament

5th September 2022

Dean Lockhart MSP has announced his departure from the Scottish Parliament. Mr Lockhart, who represented the Mid Scotland and Fife region as a list MSP since 2016, was Convenor of the Scottish Parliament's Net Zero, Energy and Transport Committee. He is leaving to take up a business opportunity in the private sector, working on Net Zero. The Convenorship of the Net Zero, Energy and Transport Committee is likely to remain in Conservative hands, due to the allocation of Committee roles between different parties at Holyrood. Following the appointment of Edward Mountain (Conservative, Highlands and Islands), although no announcement has been made it is expected that Liam Kerr (North East Scotland) may become the next Convenor of the Committee.

More information [here](#).

First Minister hosts energy summit

Scottish Government

23rd August 2022

The Scottish Government, energy companies and advice organisations met on the 23rd of August for a summit chaired by First Minister Nicola Sturgeon. During the meeting a consensus emerged that households, businesses and the public sector must be supported further with practical mitigation solutions. Participants of the summit called on the UK Government to address the problem by freezing the cap for all households and to support the energy companies to deliver this. Meanwhile the government has announced that more than £1.2 million will be distributed to help key agencies, including Advice Direct Scotland, Home Energy Scotland and Citizen's Advice Scotland.

More information [here](#).

Scotland at Hannover Messe Expo

Scottish Government

2nd August 2022

Scottish Development International has confirmed that it will lead Scotland's presence at the five-day Hannover Messe Integrated Energy Expo in April 2023. SDI will showcase Scotland's renewable energy and hydrogen sectors, as well as latest developments in automation, R&D and engineering.

More information [here](#).

Wales

Bidding for Wales' first freeport launched

Welsh Government

1st September 2022

The Welsh and UK Governments launched the bidding process for Wales' first freeport, expected to be up and running by summer 2023. Welsh Ministers agreed to support freeport policies in Wales following the UK Government's agreement that it would meet the Welsh Government's demands that both governments would act as a 'partnership of equals' to establish freeports in Wales. A Welsh freeport will be a special zone with the benefits of simplified customs procedures, relief on customs duties, tax benefits, and development flexibility. In the accompanying prospectus, applicants will have to deliver three main objectives: promote regeneration and high-quality job creation; establish the freeport as a national hub for global trade and investment across the economy; and foster an innovative environment.

More information [here](#).

Economy Minister demands UK Government intervention to reduce energy and fuel prices for businesses

Welsh Government

30th August

Hosting an urgent meeting with Welsh business representatives this Tuesday, Economy Minister Vaughan Gething demanded the UK Government takes immediate action to reduce the growing cost of energy and fuel on businesses across Wales. He said that particularly businesses are facing increasingly unbearable pressures because of soaring energy and fuel bills and that it should be the UK Government's priority to protect our economy and the people who work within it.

More information [here](#).

Consultations and calls for evidence

- Consultation on the **Energy Intensive Industries Exemption Scheme** – closes at 11:45pm on 16th September. [Link to Consultation](#).
- Consultation on the **business model for power bioenergy with carbon capture and storage (power BECCS)** – closes at 11:45pm on 7th October 2022. [Link to Consultation](#).
- Consultation on the **Review of electricity market arrangements (REMA)** – closes 10th October 2022. [Link to consultation](#).

- Call for evidence on **future policy framework for power with carbon capture, usage and storage (CCUS)** – closes at 11:45pm on 17th October 2022. [Link to call for evidence.](#)
- Consultation on proposals for **hydrogen transport and storage business models** – closes at 11:45pm on 22 November 2022. [Link to Consultation.](#)