



Industrial Decarbonisation Policy News – September 2022

Please find a round-up of September's key policy developments across the UK and devolved administrations below. Developments up until the early September were covered in our last edition, which can be found [here](#).

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IDRIC Policy Team

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UK Government

Ministerial responsibilities announced

Department for Business, Energy and Industrial Strategy

The following MPs and Lords are serving alongside Jacob Rees-Mogg at BEIS:

- Jackie Doyle-Price (Minister for Industry)
- Nusrat Ghani (Minister for Science and Investment Security)
- Graham Stuart (Minister for Climate)
- Dean Russell (Minister for Enterprise and Markets)
- Lord Callan (Minister for Business, Energy and Corporate Responsibility)

More information [here](#).

Net Zero Review commissioned by BEIS

Department for Business, Energy and Industrial Strategy

26th September 2022

The BEIS Secretary of State Jacob Rees-Mogg has commissioned a review of the government's approach to delivering its net zero target, with the stated intention to ensure that it is pro-business and pro-growth, and that delivering the net zero target does not place undue burdens on businesses and consumers. Former Energy Minister Chris Skidmore MP has been appointed as Chair of the review, which will report by the end of 2022.

More information [here](#).

Net Zero Review – Call for evidence

Department for Business, Energy and Industrial Strategy

29th September 2022

As part of its Net Zero Review, BEIS has published a call for evidence. The consultation includes questions for the general public, as well questions targeted at specific sectors, including business, local government and community organisations delivering net zero activities, as well as academia and innovators. As part of the review, the Chair, Chris Skidmore MP, will also consult widely with stakeholders in different fields through a series of roundtables and direct meetings.

The deadline for submissions is 27th October 2022.

More information [here](#).

BEIS on the Growth Plan

Department for Business, Energy and Industrial Strategy

27th September 2022

Following the publication of the Chancellor's Growth Plan, BEIS has published a summary of how it intends to deliver higher, sustainable economic growth, with a target trend growth of 2.5%. The

summary focuses on investment, jobs, tax cuts and wider reforms to improve business opportunities, as well as wider support for the energy sector.

More information [here](#).

Labour Party Conference

25-28th September 2022

The end of September saw the 2022 Labour Party Conference, at which Kier Starmer and his shadow cabinet made a series of policy commitments to be implemented if Labour win the next general election.

- [GB Energy](#) – Labour announced their intention to create “Great British Energy” within their first year of Government, a new publicly owned energy generation company which will aim of building clean energy generation capacity at scale.
- [Net Zero energy system by 2030](#) - Labour has committed to a zero carbon energy system by 2030 to be delivered through a overarching pledge made at last year’s conference to provide £28bn a year of support for Net Zero up to 2030.
- [National Wealth Fund](#) - Labour has also committed to £8bn of initial funding for industry projects such as battery factories and clean steel plants, combining public funding with private sector investment. Returns on these investments will go towards the establishment of a National Wealth Fund.

Growth Plan 2022

HM Treasury

23rd September 2022

Chancellor of the Exchequer Kwasi Kwarteng unveiled the UK Government’s highly anticipated financial statement, centred around a publication of the new Growth Plan in a bid to boost the growth of the UK economy. While initially dubbed as “mini budget” in the media, the plan has since been described as “the biggest tax cutting event since 1972”, as the statement focused primarily on tax cuts, including impacts on energy bills (for both businesses and consumers), income tax, National Insurance, corporation tax, universal credit, banker’s bonuses and low investment zones. Overall, the statement set out a marked departure from the recent economic orthodoxy, with ‘growth’ supplanting ‘levelling up’ as the main driver of government.

The document announces new legislation to be brought forward in the coming months to speed up the delivery of major infrastructure, including:

- *reducing the burden of environmental assessments*
- *reducing bureaucracy in the consultation process*
- *reforming habitats and species regulations*
- *increasing flexibility to make changes to a DCO once it has been submitted*

The Growth Plan also announces prioritising the delivery of National Policy Statements for energy, water resources and national networks, and of a cross-government action plan for reform of the Nationally Significant Infrastructure planning system and bringing onshore wind planning policy in line with other infrastructure to allow it to be deployed more easily in England.

Among the infrastructure projects that will be priorities for acceleration, are existing hydrogen and CCUS projects, oil and gas fields, offshore wind initiatives and freeports, including:

Hydrogen

- Hynet Hydrogen Pipeline
- INOVYN Hydrogen Storage (Hynet Cluster, NW)

- East Coast Cluster Hydrogen Pipeline
 - Aldbrough Hydrogen Storage (East Coast Cluster, Humber)
 - Hydrogen Electrolyser Capacity Deployment
- Carbon Capture and Storage (CCUS)
- Hynet Cluster – CCUS cluster in the North West
 - East Coast Cluster – CCUS cluster in Teesside and Humber

More information [here](#).

Phase 2 – Industrial Fuel Switching Competition open

Department for Business, Energy and Industrial Strategy

23rd September 2022

£49.4 million government funding has been announced as part of Phase 2 of the Industrial Fuel Switching (IFS) competition. The IFS competition will support innovation in the development of pre-commercial fuel switch and fuel switch enabling technology for the industrial sector, to help industry switch from high to lower carbon fuels. Funding will be awarded through Small Business Research Initiative (SBRI) contracts, providing 100% funding for pre-commercial solutions. Phase 1 of the competition saw £5.6 million awarded in May 2022 to 21 feasibility projects covering hydrogen, electrification and more. Phase 2 (Demonstration Projects) will open in late 2022 to all applicants, whether or not they have taken part in Phase 1. Registration deadline is 11 November.

More info [here](#).

Industrial Energy Transformation Fund (IETF) Phase 2: Autumn 2022

Department for Business, Energy and Industrial Strategy

20th September 2022

Phase 2 of the £70 million IETF provides grant funding for feasibility and engineering studies, as well as for the deployment of industrial energy efficiency and deep decarbonisation projects. It provides grant funding for the following project types:

- Studies - feasibility and engineering studies to enable companies to investigate identified energy efficiency and decarbonisation projects prior to making an investment decision,
- Energy efficiency - deployment of technologies to reduce industrial energy consumption,
- Deep decarbonisation - deployment of technologies to achieve industrial emissions savings.

The Phase 2: Autumn 2022 competition is open to applications on Monday 10th October, and is open to businesses of any size registered and operating in England, Wales or Northern Ireland.

More information [here](#).

UK Updates Nationally Determined Contribution

Department for Business, Energy and Industrial Strategy

23rd September 2022

Determined Contributions (NDC) define emissions reduction targets for each country under the Paris Agreement. Last year, the Glasgow Climate Pact called upon all countries to revisit and strengthen 2030 targets under their NDCs. The UK's updated NDC reaffirms the existing commitment to reducing

emissions by at least 68% by 2030, against a 1990 baseline as well as the UK's legally binding 2050 net-zero commitment. In addition, updates to the NDC include clarifications on:

- How the target aligns with the Paris Agreement temperature goal
- How the UK will deliver the NDC by 2030
- Progress made in expanding the territorial scope of the NDC to include Crown Dependencies and Overseas Territories
- Levelling up, gender, green skills, public engagement, just transition and how the UK is supporting other countries in delivering their NDCs

More information [here](#).

Plans to help cut energy bills for businesses unveiled

Department for Business, Energy and Industrial Strategy

21st September 2022

In addition to the Energy Price Guarantee for households, the Government has announced the Energy Bill Relief Scheme, which will cut energy prices for non-domestic energy customers such as businesses, charities and public sector organisations. Under the scheme, the Government has set a Supported Wholesale Price – expected to be £211 per MWh for electricity and £75 per MWh for gas, which is a discounted price per unit of gas and electricity. The Government will publish a review into the operation of the scheme in three months to inform decisions on future support after March 2023. Support for energy intensive industries has not yet been outlined in detail.

More information [here](#).

Scotland

Legislative Consent Memorandum on the Energy Bill

Scottish Government

28 September 2022

The Scottish Government lodged a Legislative Consent Memorandum regarding the Energy Bill, which was introduced in the House of Lords on 6 July 2022. These are the means by which the Scottish Parliament consents, or otherwise, to “relevant provisions” contained within bills under consideration by the UK Parliament, referring to clauses that change law on devolved matters, or alter the competence of Scottish ministers or the Scottish Parliament. The Scottish Government are responsible for laying memoranda before parliament, and include their recommendations on which relevant provisions the Scottish Parliament should, or should not provide consent.

The Scottish Government recommended that the Scottish Parliament withhold their consent on a number of relevant provisions within the energy bill while amendments are prepared in collaboration with BEIS. These amendments may be introduced to the bill through a supplementary legislative consent memorandum at a later date.

For more information on the specific clauses for which the Scottish Government has recommended consent be withheld, click [here](#).

Deputy First Minister Announces Emergency Budget Review

Scottish Government

27th September 2022

Deputy First Minister John Swinney announced that a panel of experts will study the impact on Scotland of the UK Chancellor's mini-budget announced last week. The experts will inform the Emergency Budget Review (EBR), which will consider the implications for Scotland of the newly introduced tax cuts. Results of the review are expected in the week beginning 24th October.

More information [here](#).

A Trading Nation – Progress Review 2022

Scottish Government

21st September 2022

The Scottish Government has released an update on Scotland's inward investment and export growth plans, which include strategies to attract foreign direct investment and open up international trade opportunities for Scottish companies. The report shows that despite the impact of the UK's exit from the EU and the Covid-19 pandemic during 2021-2022, Scotland's international exports remain at around 21% of GDP - outperforming the rest of the UK. Scotland's goods exports in the year ending March 2022 (excluding Oil & Gas) increased by 5.7% compared to the previous year (compared to a reduction of 2.9% in the UK over the same period). Enterprise agencies attracted 113 inward investment projects and a total of 7,780 jobs in 2021-22, with 39 new investors relocating to Scotland during this time. Finally, the update confirms that work has commenced on the development of a Renewable Energy Sector Export Plan, expected to be published later this year.

More information [here](#).

Edward Mountain MSP appointed as Convener of the Net Zero Committee

Scottish Parliament

20th September 2022

Edward Mountain has been appointed as the new Convener of the Scottish Parliament Net Zero, Energy and Transport Committee, following the resignation of previous Convener Dean Lockhart. Mr Mountain, a former Army officer who trained at Sandhurst, has represented the Highlands and Islands region since 2016 and is currently the Scottish Conservative spokesperson on Veterans. Between 2016 and 2021 he served as Convener of the Scottish Parliament's Rural Economy and Connectivity Committee, which dealt with agriculture, fisheries and transport issues.

More information [here](#).

Wales

Ministerial Statement: Regional Economic Development

Welsh Government

4th October 2022

Minister for Economy Vaughan Gething provided an oral statement to the Senedd, outlining the Welsh Government's vision for regional investment to support jobs and growth in communities across Wales. He highlighted that work across all regions is wedded to the collective goal of securing investment in the industries of the future, which will fuel better-paid, skilled jobs. This includes the generation of low-carbon electricity.

Additionally, he highlighted the agreement between the UK and Welsh government to deliver a free-port programme in Wales, which is aimed towards the delivery of sustainable, economic and social benefits to the nation.

He also highlighted the need to protect industry and said that the UK Government's regressive and unfunded fiscal statement specifically disadvantages regions and nations beyond London and the south-east. He said that, instead, it sends a signal that the new UK Government does not regard Wales and its industries as essential to the UK's growth path.

Calls for evidence and consultations

[Review of electricity market arrangements \(REMA\)](#) - closes 10th October 2022.

[Future policy framework for power with carbon capture, usage and storage \(CCUS\)](#) – closes at 11:45pm on 17th October 2022.

[Hydrogen transport and storage business models](#) – closes at 11:45pm on 22 November 2022.