

Government sets out plans for clean energy system and green jobs boom to build back greener

- Government sets out historic plans to clean up our energy system and keep bills affordable as we transition to net zero
- Energy White Paper will unleash a green economic recovery by supporting up to 220,000 jobs over the next decade across England, Scotland, Wales and Northern Ireland
- keeping consumer bills affordable, especially for the vulnerable and lowest income households, at the centre of plans

The UK government today set out ambitious plans to clean up our energy system, support up to 220,000 British jobs, and keep bills affordable as we transition to net zero by 2050.

Building on the Prime Minister's Ten Point Plan for a Green Industrial Revolution, the Energy White Paper sets out specific steps the government will take over the next decade to cut emissions from industry, transport, and buildings by 230 million metric tonnes – equivalent to taking 7.5 million petrol cars off the road permanently – while supporting hundreds of thousands of new green jobs.

We will put affordability at the heart of the UK's decisive shift away from fossil fuels by boosting competition in the energy retail market to tackle the 'loyalty penalty' – longstanding customers who pay more than new ones – and by providing at least £6.7 billion in support to the fuel poor and most vulnerable over the next 6 years.

Business and Energy Secretary Alok Sharma said:

Today's plan establishes a decisive and permanent shift away from our dependence on fossil fuels, towards cleaner energy sources that will put our country at the forefront of the global green industrial revolution.

Through a major programme of investment and reform, we are determined to both decarbonise our economy in the most cost-effective way, while creating new sunrise industries and revitalising our industrial heartlands that will support new green jobs for generations to come.

At every step of the way, we will place affordability and fairness at the heart of our reforms – unleashing a wave of competition so

consumers get the best deals possible on their bills, while protecting the vulnerable and fuel poor with additional financial support.

With this long-term plan, we are turning climate ambition into climate action – putting the UK firmly on the course to net zero to end our contribution to climate change as we build back greener.

Alongside the Energy White Paper, the government has also confirmed that it is to enter negotiations with EDF in relation to the Sizewell C project in Suffolk as it considers options to enable investment in at least one nuclear power station by the end of this Parliament. If the project proceeds, it could create thousands of new jobs during construction and operation.

This is the next step in considering the Sizewell C project, and negotiations will be subject to reaching a value for money deal and all other relevant approvals, before any final decision is taken on whether to proceed. The successful conclusion of these negotiations will be subject to thorough scrutiny and needs to satisfy the government's robust legal, regulatory and national security requirements.

Emma Pinchbeck, Chief Executive at Energy UK, said:

Today's White Paper reveals the scale and opportunity of the energy transition, with aims in it to at least double the amount of clean electricity produced today, start making our homes warmer and greener, and help the switch to electric vehicles.

The energy industry will do our bit to innovate, supporting our customers so that they benefit from the net zero transition and investing in the green infrastructure we need – but clear policies from government help us do that. This is what the White Paper – and other publications over the next year – should provide.

Rain Newton-Smith, Chief Economist at the Confederation of British Industry, said:

The Energy White Paper is an important next step in our plans to reach our net zero emissions target. Action is needed now, and the welcome focus on job creation around the country, developing sustainable low-carbon industries, and ensuring the transition is fair for consumers will all help us achieve our ambitious climate goals.

Business stands ready to deliver the investment and innovation needed to turn ambition into reality, and the proposals outlined in the Energy White Paper will give business further confidence to deliver new infrastructure, including electric vehicle charging, renewable power generation and low-carbon upgrades to people's homes.

Hugh McNeal, Chief Executive at Renewable UK, said:

Today's white paper provides greater clarity to the companies investing across the UK to deliver our net zero emissions target. Wind and renewable energy will be at the centre of our future energy system, providing the clean electricity and green hydrogen we need to decarbonise our economy. The next generation of onshore and offshore wind farms will bring tens of billions of pounds of investment to support a green recovery and create thousands of jobs across the country as we transition away from fossil fuels. To meet the goals set out in the white paper, it's clear that we have to double-down on renewables as the main source of energy for our homes, transport and industry.

Core parts of the Energy White Paper backing our ambitious plans include:

1. Supporting up to 220,000 jobs in the next 10 years. This includes long-term jobs in major infrastructure projects for power generation, carbon capture storage and hydrogen, as well as a major programme of retrofitting homes for improved energy efficiency and clean heat.
2. Transforming the UK's energy system from one that was historically based on fossil fuels to one that is fit for a net zero economy, changing how we heat our homes and travel, doubling our electricity use, and harnessing renewable energy supplies.
3. Keeping bills affordable for consumers by making the energy retail market truly competitive. This will include offering people a simple method of switching to a cheaper energy tariff, and testing automatically switching consumers to fairer deals to tackle "loyalty penalties".
4. Generating emission-free electricity by 2050 with a trajectory that will see us have overwhelmingly decarbonised power in the 2030s. Low carbon electricity will be a key enabler of our transition to a net zero economy with demand expected to double due to transport and low carbon heat.
5. Establishing a UK Emissions Trading Scheme (UK ETS) from 1 January 2021 to replace the current EU ETS at the end of the Transition Period. It increases ambition on reducing emissions, and provides continuation of emissions trading for UK businesses and certainty on how they operate.
6. Continuing to explore a range of financing options for new nuclear with developers including the Regulated Asset Base (RAB) funding model, which could help secure private investment and cost consumers less in the long run. Given the scale of the financing challenge, we will also consider

the potential role of government finance during construction, provided there is clear value for money for consumers and taxpayers.

7. Delivering ambitious electricity commitments through our world-beating commitment to deliver 40GW of offshore wind by 2030, including 1GW of floating wind, enough to power every home in the country – while attracting new offshore wind manufacturers to the UK.
8. Investing £1 billion in state-of-the-art carbon capture storage in four industrial clusters by 2030 – sucking carbon out of industrial processes to stop emissions escaping to the air. Four low carbon clusters will be set up by 2030, and at least one fully net zero cluster by 2040, stimulating the market to attract new investors and manufacturers to reinvigorate our industrial heartlands.
9. Kick-starting the hydrogen economy by working with industry to aim for 5GW of production by 2030, backed up by a new £240m net zero Hydrogen Fund for low carbon hydrogen production.
10. Investing £1.3 billion to accelerate the rollout of charge points for electric vehicles in homes, streets and on motorways as well as up to £1 billion to support the electrification of cars, including for the mass-production of the batteries needed for electric vehicles. The rollout has levelling up at its heart, and will support economic growth across the UK – including in our strong manufacturing bases in the Midlands and the North East – while supporting the 169,000 jobs in our world-leading automotive sector.
11. Supporting the lowest paid with their bills through a £6.7 billion package of measures that could save families in old inefficient homes up to £400. This includes extending the Warm Home Discount Scheme to 2026 to cover an extra three quarters of a million households and giving eligible households £150 off their electricity bills each winter. The £2 billion Green Homes Grant announced by the Chancellor has been extended for a further year in the Ten Point Plan.
12. Moving away from fossil fuel boilers, helping to make people's homes warmer, whilst keeping bills low. By the mid-2030s we expect all newly installed heating systems to be low carbon or to be appliances that we are confident can be converted to a clean fuel supply.
13. Supporting North Sea oil and gas transition for the people and communities most affected by the move away from oil and gas production, ensuring that the expertise of the oil and gas sector be drawn on in developing carbon capture and storage and hydrogen production to provide new green jobs.

Plans to create jobs through the Energy White Paper build on the unprecedented £280 billion support package that has been provided as part of the government's Plan for Jobs to safeguard jobs in every region and nation of the UK, with support now extended until March 2021. This builds on the nine million jobs already protected through the furlough scheme, £13 billion provided for the self-employed, and billions of pounds in tax deferrals and grants for businesses.

Kick-starting the process of ensuring fairness and affordability for bill-payers will be a series of consultations in spring 2021 to create the framework to introduce opt-in switching, consider reforms to the current

roll-over tariff arrangements, and a call for evidence to begin a strategic dialogue between government, consumers and industry on affordability and fairness.

The UK ETS will promote cost-effective decarbonisation, allowing businesses to cut carbon where it is cheapest to do so, promoting innovation and growth for UK businesses. It will be the world's first net zero carbon cap and trade market, and a crucial step towards achieving the UK's target for net zero carbon emissions by 2050.

The scheme is more ambitious than the EU system it replaces – from day one the cap on emissions allowed within the system will be reduced by 5%, and we will consult in due course on how to align with net zero. This gives industry the certainty it needs to invest in low carbon technologies.

Notes to editors

1. The Energy White Paper builds further on the Prime Minister's Ten Point Plan for clean energy, transport, nature and innovative technologies, as part of our plans to forge ahead with eradicating its contribution to climate change by 2050, particularly crucial in the run up to the COP26 climate summit in Glasgow next year. In the run up to COP26 we will bring forward a series of sectoral strategies, and our overarching Net Zero Strategy, which will set out more detail on how we will meet our net zero target and ambitious carbon budgets.
2. The plan – which is part of the PM's mission to level up across the country – will mobilise £12 billion of government investment to create and support up to 250,000 highly-skilled green jobs in the UK, and spur over three times as much private sector investment by 2030.
3. At the centre of the Ten Point Plan are the UK's industrial heartlands, including in the North East, North West, Yorkshire and the Humber, West Midlands, Scotland and Wales, which will drive forward the green industrial revolution and build green jobs and industries of the future.
4. The government will also continue to engage with other developers with interest in the UK new nuclear market. This includes by creating an Advanced Nuclear Fund of up to £385 million to support the development of Small Modular Reactors and to support research and development into more advanced nuclear technologies, such as advanced modular reactors, as these technologies progress towards commercialisation.
5. The government is open to linking the UK ETS internationally in principle and we are considering a range of options, but no decision on our preferred linking partners has yet been made.
6. The government has already legislated to establish the new UK ETS, and the technical system underpinning the scheme is in final stages of development and on track to be ready on time.
7. The UK ETS has been designed by the UK government jointly with the Scottish Government, Welsh Government and Northern Ireland Executive.