

Statement on the British Energy Security Strategy

Introduction

I will make a statement on the British Energy Security Strategy.

Our strategy, Mr Deputy Speaker, provides a clear, long-term plan to accelerate our transition away from expensive fossil fuel prices set by global markets we cannot control.

It builds on our success over the past decade, in which we gave the go ahead to the first nuclear power plant in a generation and we have achieved, Mr Deputy Speaker, a fivefold increase in renewables.

The British Energy Security Strategy marks a significant acceleration in our ambition. It is confirmation of three mutually reinforcing goals of our energy policy – indeed of any well-constituted energy policy. Security. Affordability. Sustainability.

Cost of living

Mr Deputy Speaker, we recognise the pressures that many people across our country are facing with the cost of living, which has been greatly influenced, as we all know, by global factors.

That is why my right honorable friend, the Chancellor of the Exchequer, has announced a £9bn package of support, including a £150 council tax rebate this month, and a £200 energy bill discount in October to cut energy bills quickly for the vast majority of households.

We are also expanding the eligibility for the Warm Home Discount, which will provide around 3 million low-income and vulnerable households across England and Wales with an £150 rebate this winter.

And of course, as I speak and as is ongoing, our Energy Price Cap is still protecting millions of consumers from even higher wholesale spot gas prices.

Furthermore, we are investing over £6bn in decarbonising the nation's homes and buildings – and this was set out very clearly in last year's Heat and Buildings Strategy. This saves the lowest income families around £300 a year on their bills.

I want to reassure the House that the Chancellor has promised to review his package of support before October and will decide on an appropriate course of action at that time.

Renewables

Mr Deputy Speaker, cheap renewables are our best defence against fluctuations in global gas prices.

By 2030, 95% of our electricity will be produced by low-carbon means. By 2035 we aim to have fully decarbonised our electricity system.

So, we will double-down on every available technology.

The Strategy sets out a new ambition to propel our offshore wind industry. It will increase the pace of deployment to deliver 50GW by 2030 instead of the 40 committed to in the manifesto. And of that 50GW, up to 5GW will be floating offshore wind.

The Strategy also commits us to slashing approval times for new offshore wind farms from four years to one year.

And we also feel, Mr Deputy Speaker, and this is reflected in the Strategy, that our solar capacity can grow by up to five times by 2035.

Nuclear

Mr Deputy Speaker, most of Britain's nuclear fleet, as is well known, will be decommissioned this decade.

We need to replace what we're losing but we also need to go further. From large-scale plants to small nuclear modular reactors, we wish and we aspire to provide a steady baseload of power that will complement renewable technology.

That is why we will be reversing decades of under-investment and we will be building back British nuclear.

We aim to deliver up to 24GW of nuclear power by 2050 – approximately three times more than today. This represents 25% of our projected energy demand.

Hydrogen and oil and gas

We are also, Mr Deputy Speaker, doubling our ambition for low-carbon hydrogen production. The capacity we aim to reach by 2030 is 10GW, with at least half of this total coming from green hydrogen – electrolytic produced hydrogen.

This fuel will not only provide cleaner energy for vital British industries to move away from fossil fuels, but will also be used for storage, for trains, for heavy equipment, and for generating heat.

The transition to cheap, clean power cannot happen overnight. Those calling for an immediate end to domestic oil and gas ignore the fact that this would simply make the UK more reliant on foreign imports – it would not, in fact, lead to greater decarbonisation globally.

Conclusion

Mr Deputy Speaker, producing more of our own energy will protect us into the future and we feel that this historic change, this decarbonisation challenge, represents a huge opportunity for the United Kingdom.

More wind, more solar, more nuclear – while also using North Sea gas to transition to cheaper and cleaner power.

This is a long-term plan to ensure greater energy independence, and to attract hundreds of billions of private investment to back the new industries that can create hundreds of thousands of high-quality jobs and stimulate business across the UK.

This isn't only a matter of reaching net zero – vital as that is. It's an issue of national security.

These are all objectives that everyone across the House I'm sure shares. We all wish to see a homegrown, clean energy system that will protect our people into the future.

That will create good, clean jobs, that will attract private investment, and above all, will drive down bills for British people.

And I commend this statement to the House.