

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Climate Change Advisory Board

Date: 10th May 2022

Reporting officer: Sarah Parfitt, Director (Corporate Services)

Subject: UK Energy Security Strategy Update

Purpose and summary of report:

To provide the Climate Change Advisory Board with an update on UK Energy Security Strategy.

Recommendations:

This is an information-only report.

Key Implications:	
Item	Implications
Legal	N/A– this is an information-only report.
Finance and Value for Money	N/A – this is an information-only report.
Corporate Plan	N/A – this is an information-only report.
Climate Change	Whilst this is an information-only report, its content should be of interest to Members and officers and used as a basis to inform the activities of the council, particularly in relation to borough policy-making and decisions regarding climate change adaptation and sustainability of development.

1. Introduction and Background

- 1.1 The British Energy Security Strategy marks a significant acceleration in our ambition. It reaffirms three mutually reinforcing goals of our well-constituted energy policy – Security, Affordability and Sustainability.
- 1.2 A clear, long-term plan to speed up our transition away from expensive fossil fuels has been shared by the UK government which reduces our dependence on imported oil and gas.

- 1.3 Nuclear power forms a key part of the plan, with offshore wind, solar and hydrogen also featuring as the government targets 95% of UK electricity will be produced by low carbon means and aims to get the electricity system completely decarbonised by 2035 subject to security of supply.
- 1.4 The British Energy Security Strategy builds on the Prime Minister's Ten Point Plan for a Green Industrial Revolution, and, together with the Net Zero Strategy, is driving an unprecedented £100 billion of private sector investment into new British industries including offshore wind and supporting 480,000 new clean jobs by the end of the decade.

2. Immediate support on energy bills

- 2.1 The government acknowledges the pressures people are facing with the cost of living and hence announced a £9.1 billion package of support, including a £150 energy rebate in April (for eligible households in Council Tax bands A-D), and a £200 energy bill discount in October to cut energy bills quickly for most households.
- 2.2 The Warm Home Discount will increase to £150 in October and extend its coverage to assist 3 million people.
- 2.3 £500 million investment in Household Support Fund for local authorities to use in supporting the most vulnerable with food and utility bills.

3. Energy efficiency

- 3.1 £450 million Boiler Upgrade Scheme to be launched this April.
- 3.2 Heat Pump Investment Accelerator Competition in 2022 worth up to £30 million to reduce demand for gas.
- 3.3 Over £6 billion of investment is planned to decarbonise the country's homes and buildings and this would save the lowest income families around £300 a year on their bills.
- 3.4 By 2025, around 700,000 homes will be upgraded, and by 2050 all our buildings will be energy efficient with low carbon heating.

4. Nuclear

- 4.1 A new body, "Great British Nuclear", is being set up to bring forward the development of new sites, backed by "substantial funding", while a £120m "future nuclear enabling fund" is to be launched this April.
- 4.2 The government said up to eight reactors could be delivered by 2030 - accelerating the pace from one a decade to one a year.
- 4.3 The aim is to deliver up to 24 Gigawatts (GW) of nuclear power by 2050 - approximately three times more than today and this represents 25% of the projected electricity demand. Subject to technology readiness from the industry, Small Modular Reactors will form a key part of the nuclear project pipeline.

5. Offshore wind

- 5.1 The Strategy sets out a new ambition to drive our offshore wind industry which will improve the deployment pace by 25% to deliver 50GW by 2030 out of which, up to 5 GW will be floating offshore wind.
- 5.2 The Strategy indicates five times growth in our solar capacity by 2035 and commits to cutting down approval times from 4 to 1 year for new offshore wind farms.

6. Onshore wind

- 6.1 Onshore wind is one of the cheapest forms of renewable power and has been included in the latest Contracts for Difference auction round.
- 6.2 The UK already has over 14GW of onshore wind, with a strong pipeline of future projects in Scotland and supporting new projects in England.
- 6.3 The UK government will be consulting on developing partnerships with a limited number of supportive communities who wish to host new onshore wind infrastructure in return for guaranteed lower energy bills.

7. Solar and other technologies

- 7.1 The aim is to see the current solar capacity to grow up to 70GW by 2035.
- 7.2 Government to consult on amending planning rules to strengthen policy in favour of solar development.
- 7.3 VAT on solar panels for homes has been removed and working on low-cost finance options with retail lenders to help households install rooftop solar.
- 7.4 Design performance standards to further encourage renewables, including solar photovoltaic (PV) panels, in new homes and buildings.

8. Hydrogen

- 8.1 The UK government is doubling the ambition for low-carbon hydrogen production and is aiming to reach 10GW capacity by 2030, with at least 50% coming from electrolytic projects.
- 8.2 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, trains, heavy equipment, and generating heat.
- 8.3 The UK government is also aiming to design new business models for hydrogen transport and storage infrastructure by 2025 to boost the hydrogen economy.

9. Oil and gas

- 9.1 A licensing round for new North Sea oil and gas projects is planned to launch in Autumn.
- 9.2 The industry is set to invest billions in the development of nascent clean technologies such as hydrogen and carbon capture.
- 9.3 The ambition is to reduce gas consumption by 40% by 2030.
- 9.4 The UK government commits to deliver 4 carbon capture, utilisation and storage (CCUS) clusters costing £1 billion by 2030.

10. Networks, storage and flexibility

- 10.1 Anticipating need and hyper-flexibility are the 2 key features to be prioritized to reduce energy wastage which could help to bring down costs by up to £10 billion a year by 2050.
- 10.2 UK to undertake a comprehensive Review of Electricity Market Arrangements (REMA) with high-level options for reform set out this summer to ensure fit for purpose retail market for all consumers to benefit.
- 10.3 Smartening up the system with more flexible pricing, through Time of Use tariffs and battery storage through electric vehicles.
- 10.4 Ensuring all new homes are designed so that smart meters can be fitted from the outset, in advance of the Future Homes and Building Standards by 2024.

11. International Delivery

To reduce global reliance on Russian fossil fuels, the UK is:

- 11.1 committing to phase out Russian oil and coal by the end of 2022, and to stop importing Russian liquefied natural gas as soon as possible after that.
- 11.2 building international support with non-Russian OPEC countries, and the US to reduce Russian energy revenues and to promote market stability with alternative supplies of oil and gas to help secure the critical minerals we all need to successfully move to clean energy.
- 11.3 hosting the first UK-Qatar Strategic Energy Dialogue in May to further deepen our existing energy collaboration.
- 11.4 collaborating closely with the US on gas to leverage UK liquified natural gas (LNG) infrastructure to boost European supplies.
- 11.5 serving as an important EU entry point for non-Russian gas supply and looking at the infrastructure to ensure that gas flows efficiently between the UK, Europe, and the global market via our interconnectors and LNG terminals, as well as promoting hydrogen-ready gas infrastructure.

To support other countries to make the same transition to clean, affordable, secure energy, the UK is:

- 11.6 leading the Clean Green Initiative, launched by the Prime Minister at COP26.
- 11.7 committing to double our International Climate Finance to £11.6 billion over 5 years.
- 11.8 collaborating with partners to reduce reliance on fossil fuels, from the Powering Past Coal Alliance, the Green Grids Initiative, to nuclear.

12. Conclusion

- 12.1 Producing more of our own energy will safeguard us in the future, and we believe that this historic shift, this decarbonisation challenge, provides a significant opportunity for the United Kingdom.
- 12.2 More wind, solar, and nuclear power, as well as the use of North Sea gas, are all being considered as ways to transition to cheaper, cleaner, and secure energy.
- 12.3 This is a long-term strategy to achieve greater energy independence and attract hundreds of billions of private investments to support new industries that can generate hundreds of thousands of high-quality jobs, drive down bills and boost the economy across the United Kingdom.
- 12.4 This isn't just about getting to net-zero, as crucial as it is. It's a matter of national security.

13. Appendices

- 13.1 There are no appendices.

14. Background Documents

- 14.1 The following background documents were used:
 - 14.1.1 UK Energy Security Strategy:
<https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>
 - 14.1.2 Statement on the British Energy Security Strategy:
<https://www.gov.uk/government/speeches/statement-on-the-british-energy-security-strategy>

Lead Officer: Sarah Parfitt

Email: sarah.parfitt@gravesham.gov.uk

Secondary Implications	
Risk Assessment	N/A – this is an information only report.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. N/A – this is an information only report.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. N/A – this is an information only report.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Crime and Disorder	N/A – this is an information only report.
Digital and website implications	N/A – this is an information only report.
Safeguarding children and vulnerable adults	N/A – this is an information only report.