

Strategy and Policy Statement for Energy Policy in Great Britain Consultation Response: Centre for Energy Policy, University of Strathclyde

<https://doi.org/10.17868/strath.00086341>

About the Centre for Energy Policy

The University of Strathclyde's Centre for Energy Policy (CEP) works with research, government and industry partners to understand and address the pressing public policy challenge of ensuring transitions to mid-century Net Zero targets deliver sustainable and more equitable prosperity. Since its launch in 2015, CEP has established a solid track record of independent, rigorous and multidisciplinary research and timely and responsive knowledge exchange and policy engagement on energy and climate issues set in a wider public policy context. Focused on achieving real-world impacts, the Centre has helped shape UK and Scottish Government policy in areas including energy efficiency, industrial decarbonisation, heat decarbonisation and low carbon transport.

<https://www.strath.ac.uk/humanities/centreforeenergypolicy/>

Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for government in formulating policy for the energy sector in Great Britain? If not, please provide details of the priorities that you think should be included.

- Overall, the Strategy and Policy Statement for Energy Policy (SPSEP) in Great Britain can provide a useful overarching framework for the multiple policy documents (Energy White Paper, Ten Point Plan for a Green Industrial Revolution, Net Zero Strategy, British Energy Security Strategy, Energy Security Plan and Net Zero Growth Plan) that have been published in recent years and relate to different aspects of energy policy.
- The focus on outcomes and roles and responsibilities for delivery is welcome, particularly in the light of the recent Climate Change Committee's progress report to UK Parliament which underlined the need for urgency on delivery and action.
- In order to provide an effective overarching framework, the SPSEP would benefit from high-level mapping of the priorities and outcomes within it to the specific and related policy documents already published (and the ambitions set out within them), and those that are planned e.g., CCUS Strategy and Policy statement.
- Policy coherence and coordination will be fundamental to delivering secure and sustainable energy supplies and the SPSEP would benefit from some articulation of how it will integrate with wider economic decision-making in HM Treasury and ambitions around economic growth. Some articulation of how it will interact with and apply to other UK Government departments would also be useful, e.g., DLUHC and efforts to address regional inequalities through 'levelling up'.
- Coherence and coordination must also extend to interactions with devolved bodies and local authorities. The SPSEP identifies that 'some aspects of energy policy fall within the legislative competence of the Scottish Parliament and government and the Senedd/Welsh bodies'. Yet the statement would benefit from some further articulation of the different and critical roles that devolved governments and local government have to play in delivering these ambitions, and the responsibilities at local, devolved and national levels for ensuring effective coordination.
- The broad strategic priority areas are generally sound. However, the priority around 'ensuring energy security and protecting consumers' could go further in setting out clear policy outcomes around the 'accessibility' and 'affordability' of energy. Particularly in the light of the fact that energy prices are set to remain high for the foreseeable future with those on the lowest-incomes hit hardest.



- The priority around ‘Ensuring the benefits of investment in clean energy and net zero infrastructure are felt across the UK, from emissions reduction to economic development and job creation’ is welcome. It is important that we learn lessons from, for example, developing the wind industry in Scotland, where supply chains were offshored and promises around tens of thousands of jobs are as yet unmet. The SPSEP should refer as much to supporting and preserving jobs as it does to creating jobs. As we transition away from fossil fuel industries such as oil and gas, UK Government’s energy policy needs to be clear about how will it support decent work for those workers employed in those sectors and invest in upskilling. This is just one example of where the interaction with wider economic decision-making (the importance of which was highlighted earlier in this response) will be critical, particularly given the current labour supply constraints the UK is facing. UK Government needs to set out how labour/industrial policy will address these constraints, as well as invest in skills, in order to develop the necessary supply chains to deliver energy policy ambitions.
- The SPSEP would be strengthened by setting out how progress against the outcomes will be measured and reported against, and where roles and responsibilities regarding accountability for this lie.
- The strategic priority around ensuring ‘energy wholesale markets that are competitive, transparent and liquid’ is fundamental to meeting a number of other strategic priorities set out in this document and in realising the UK’s Net Zero ambition. It therefore could benefit being set out with a greater degree of specificity in relation to why this is a strategic priority. For example, highlighting that reorganising the UK wholesale electricity market to take better advantage of the UK renewables in setting electricity price would isolate UK consumers from the impacts of the natural gas price on domestic electricity price. This would help insulate UK consumers against the kinds of geopolitical forces that have been setting the gas price, and thus the electricity price over the last two years.
- The SPSEP would benefit from an articulation of how the strategic priorities are interlinked and progress against some priorities is dependent on progress on others. The Environmental Principles Policy Statement produced by DEFRA which sets out the linkages between environmental principles could offer insights on how this could be achieved.
- With the regard to the role of gas and hydrogen we would suggest that the SPSEP, and Government policy more broadly, better reflects the urgency of these decisions and brings the timelines for decision-making forward. This aligns with the Skidmore Review’s calls for a ‘cross-sectoral infrastructure strategy by 2025’ and to have ‘developed and implemented an ambitious and pragmatic ‘10 year’ delivery roadmap for the scaling up of hydrogen production’ by the end of 2023.
- Heat networks and heat pumps are addressed together in this document while hydrogen for heat is addressed together with other hydrogen issues. For coherence and recognition of interdependencies it would be better to address all policies relating to heat together. Alternatively, heat pumps and heat networks could be separated as separate technologies with different characteristics and therefore different policy support requirements.



Given the FSO does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the FSO's role in this document? If not, please identify where these expectations could be made clearer.

- The FSO does not yet exist and the SPSEP goes to some lengths to define the future role of the FSO and the ways in which the FSO will need to respond to the strategy and policy statement in the future. The SPSEP should not lose clarity by spending too much time defining the FSO. The SPSEP should also define a future date where the strategy is reviewed once the FSO has been established to commit to the FSO engagement in this strategy process.

**For further information please contact Hannah Corbett, Knowledge Exchange Fellow,
hannah.corbett@strath.ac.uk**