

Meeting minutes • 29 October 2024

Why net zero is critical to the UK economy

Date: Tuesday 29 October 2024

Time: 3:30-4:30pm

Location: Room P, Portcullis House, Westminster

Attendees:

- APPG Secretariat: Alice Watson, Zoe Avison, Charles Long
- Parliamentarians: Charlotte Cane MP, Peter Swallow MP, Lorraine Beavers MP, Bill Esterson MP, Jeevun Sandher MP staff, Yuan Yang MP staff.

Speakers remarks:

Adam Berman, Director of Policy and Advocacy, Energy UK:

- The UK has reduced emissions by 50% which is good progress, mostly from closing coal-fired power stations.
- There are two areas where we need to improve: we reduced emissions without showing our success, which holds us back in bringing people along for areas that will require behaviour change, such as driving and heating homes. Cost competitiveness needs to improve and the government could de-risk investment. We also need to capture the benefits of the transition, for example we are excellent at installing offshore wind, but we have no supply chain to build the components for net zero industry.
- Maintaining the consensus around net zero will be challenging. We need to show people there is a better economy at the heart of these changes.

Anna Markova, Policy Officer (industry and climate), Trades Union Congress:

- We could drive forward net zero in a way where we export emissions and jobs, or instead take advantage of opportunities in the UK and establish supply chains here but this will require an industrial strategy.
- It is possible to plan a good industrial transition, for example the Ford factory in Halewood where actors worked together and made the case to Ford's headquarters to back them, which resulted in £500 million investment from the company to transition to manufacturing electric vehicles.

- A just transition is about future proofing people first, it also makes economic sense. Time is an issue, with coal we knew about the transition date years in advance, but the oil and gas or steel sectors have less time to act.
- One third of oil and gas jobs are offshore, there are many people employed onshore in supplier industries who will also need transition support.
- When planning a transition trade unions need to be involved.
- We have to have a vision that has climate targets and jobs at the heart.

Mete Coban, MBE, Deputy Mayor of London for Environment and Energy:

- We should approach net zero at the social/racial justice angle and economic angle, the issue for lots of Londoners is it can become a conversation about sacrifice and culture wars, so we need to look at the benefits from the transition and tangible things it can deliver for the community such as access to green space and good jobs.
- The net zero sector is moving very quickly in London, there are lots of interesting, innovative green start-ups in the capital.
One concern is that we need to move very quickly on targets, but at the same time we need to bring communities along and create a sense of a shared mission.
- The relationship between the government and mayoral team has improved. London is looking at new work on retrofit which can bring many benefits including in poverty alleviation by bringing bills down.
- Schools can be a catalyst for bringing people along, noticed during recent projects installing solar panels on school buildings which engaged communities.

Q&A:

- **Peter Swallow MP:** Issues with the grid are impacting business being able to do more. Also raised constituency issues with car companies moving to electric vehicles, what do we all need to be doing to drive behaviour change in big and small ways?
 - Adam: We need to go further on charging and equalise VAT for street parking for example. Prices of EVs are falling, but there is a case to be made that the previous government withdrew subsidies a

bit too soon. Grid connection is a really hard problem but there is work underway to shorten the connection queue.

- Mete: We have got to find the balance of carrot and stick, it's important that the government leads by example and starts with its scope 1 emissions. On electric vehicles, we need to look at where we can incentivise people, but we can still risk entering class wars. Public campaigns around the transition and educating the next generation can help.
- Anna: With electric vehicles, how can we design this approach in a way that social justice is more at its heart, for example improving affordability for cheaper models.
- **Bill Esterson MP:** The scrappage scheme is a great way of getting people to change, but behaviour is a huge issue when there's such a concerted effort against it, for example with attacks on ULEZ. How do we change the dial on areas like oil and gas. Should we be doing more than incentivising?
 - Mete: Climate policies do win elections. We overplay the strength of the opposition's voice; the cost of inaction is huge and we need to be able to communicate that. Ambitious targets are also needed to get industry moving and help people begin to prepare.
 - Adam: The challenge is how the government uses its political capital. Smart meters, for example, are an important mechanism as they enable a flexible power system. We could mandate overnight that everyone has to install one, or put in a price incentive which would be more effective.
 - Anna: On oil and gas workers, it's about having a plan and demonstrating it can work. There needs to be enough ports to enable supply chain development, skills passports to allow switching to different work. There are lots of scattered parts of a plan that need to be joined up to ensure nobody gets left behind. We also need to demonstrate that it works well, as jobs haven't all materialised in green energy, so we need material changes to show the workforce we will bring them with us. We need to encourage clean energy companies to do collective bargaining with their workforces.

- **Cassie Rist (Jeevun Sandher MP staff):** What do you see as the key green industries for the Industrial Strategy and how can we use the white paper to create the most jobs?
 - Anna: Any government support that comes as part of strategy should involve commitments about the quality of work, for example pay and good conditions.
 - Adam: The biggest concern is a lack of money attached to our industrial strategy in comparison to the US's plan. Floating offshore wind would be a huge potential for the UK, but there are currently no strings attached to funding which would ensure UK supply chains build the floating offshore wind we are planning to install.. The UK also excels in green services, such as seabed surveys and meteorology which we export to the rest of the world. It's not all about manufacturing.
 - Mete: Important to look at where the most impact can be made. It's about devolution too and how policy interacts across the country. Investors often want scale to engage, we can reap the benefits in terms of jobs once net zero is more scaled up.
- **Charlotte Cane MP:** In rural communities we need support structures in place. For example charging infrastructure and heating upgrades where installation and repairs are very difficult because there aren't enough technicians.
 - Mete: When we ask people to change things, it needs to feel like an upgrade.
 - Anna: Stability and long term vision for government schemes is a big part of the answer.