

Our plan for an affordable and pragmatic transition to net zero

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» In the last few years, we have faced the greatest shock to our energy security since the 1970s. Putin's illegal invasion of Ukraine sent energy prices spiralling. Because of the decisions we had taken to boost domestic energy production and invest in renewables, Britain had little reliance on Russian fuel when the invasion began, unlike some of our European neighbours. But when global energy prices spiked, the Government stepped in to pay around half the typical household bill at the peak, saving families £1,500 on average. Bills are now coming down, and in July will fall to the lowest level in over two years. But the shock has reminded us of the importance of securing our long-term energy supply.

We are proud of our record and remain committed to delivering net zero by 2050. Today the UK is home to the five largest offshore wind farms in the world. Half of our electricity comes from renewables, compared to just 7% when Labour were last in office. We have reduced emissions further and faster than any of our competitors and the UK is the first major economy to get halfway to net zero. And we have done this while growing our economy by 80%, demonstrating to other countries that there is a positive economic path to tackling climate change.

Delivering energy security

We will boost our energy independence in an increasingly unstable world. We will legislate to ensure **annual licensing rounds for oil and gas production from our own North Sea**

to provide energy to homes and businesses across the country and protect high-skilled and well-paid jobs in the industry.

Labour are committed to shutting down the North Sea, rejecting any new licenses. That would put 200,000 jobs and billions of pounds of tax receipts at risk. It would leave the UK more dependent on foreign powers and mean higher emissions from imported liquefied gas.

We introduced a **windfall tax on oil and gas companies** in 2022 to ensure they pay their fair share of tax from extraordinary profits while prices remain abnormally high. **We will keep this in place until 2028-29, unless prices fall back to normal sooner.** In total, this is expected to raise over £26 billion. We will **maintain the investment allowances that provide incentives to invest in our North Sea,** which Labour have said they would remove.

We will back up renewables and prevent the prospect of blackouts with **new gas power stations** to maintain a safe and reliable energy source for days when the weather doesn't power up renewables. Conservatives know that if we are forced to choose between clean energy and keeping citizens safe and warm, we will choose to keep the lights on.

We are delivering record investment into UK renewables. But we need to go further, unlocking more investment to secure our energy supply in the future. In the next Parliament we will:

- ▶ **Treble our offshore wind capacity,** to deliver low-cost, home-grown energy and support the development of vibrant industrial clusters in places like the North East of England, Scotland and Wales.
- ▶ **Build the first two carbon capture and storage clusters,** based across North Wales and, the North West of England and Teesside and the Humber, cutting carbon and creating tens of thousands of jobs in these regions, and progress the second tranche of projects in Aberdeenshire and the Humber.

- ▶ **Invest £1.1 billion into the Green Industries Growth Accelerator** to support British manufacturing capabilities, boost supply chains and ensure **our energy transition is made in Britain.**
- ▶ **Scale up nuclear power,** building on our work establishing Great British Nuclear. Within the first 100 days of the next Parliament, **we will approve two new fleets of Small Modular Reactors** to rapidly expand nuclear power, create well-paid, high-skilled jobs and deliver cheaper, cleaner and more secure energy. **We will halve the time it takes for new nuclear reactors to be approved,** by allowing regulators to assess projects while designs are being finalised, improving join-up with overseas regulators assessing the same technology and speeding up planning and environmental approvals.
- ▶ **Deliver a new gigawatt power plant at Wylfa in North Wales and work with industry to deliver existing projects at Hinkley Point and Sizewell.**

This will help **the UK to become a net exporter of electricity.** And by building more electricity links with neighbouring countries, we can increase exports, make our energy system more efficient and bring additional revenue to the UK. We will ensure offshore cables help reduce the amount of onshore infrastructure, such as substations, that we need to build.

As we achieve this transition to net zero, **we will take steps to ensure the technology and infrastructure is made here in the UK.** We will provide a bonus, on top of contract payments that support offshore wind, to **reward energy firms that invest in manufacturing in the most disadvantaged places in the UK** or invest in more sustainable supply chains, creating more good jobs as we get more energy from renewables.

We are strong supporters of domestic steel production and have introduced effective safeguards against steel that is heavily

subsidised by foreign governments and helped public projects procure more UK-made steel. We agreed a £500 million grant as part of a £1.25 billion commitment by Tata Steel to transform and secure a sustainable future at their Port Talbot works. We will continue working to support production in Scunthorpe and the North East of England, **securing the future of steelmaking across the UK.**

We will implement a new import carbon pricing mechanism by 2027 to ensure that imports of iron, steel, aluminium, ceramics and cement from countries with a lower or no carbon price will face a comparable carbon price to those goods produced in the UK. This will reduce the risk of industry being displaced to other countries which aren't taking action on climate change.

A pragmatic and proportionate approach to net zero

The UK has led the world on tackling climate change, having cut our emissions more than any other major economy. We will get to net zero on the fairest possible path and in a way that brings people with us.

We will seize the opportunities created by the transition, opening up whole new sectors and creating hundreds of thousands of good jobs in all corners of the country. Our approach leverages the innovation and investment of the private sector to unleash technologies that cut costs for households. This has enabled us to overachieve on our targets, become a powerhouse in clean technologies, and continue to support households. We reject Labour's dogmatic, top-down approach that will burden households with higher bills.

We will cut the cost of tackling climate change for households and business, and deliver net zero by 2050, by:

- ▶ **Sticking to our pragmatic, proportionate and realistic approach that eases the burdens on working people. Ensuring that**

families are given time to make changes that affect their lives and never forcing people to rip out their existing boiler and replace it with a heat pump.

- › **Guaranteeing a vote in the next Parliament on the next stage of our pathway**, with adoption of any new target accompanied by proper consideration of the plans and policies required to meet the target, to maintain democratic consent for the big decisions that net zero will mean for our country.
- › **Ensuring that green levies on household bills are lower.** The cost of renewables such as wind and solar has fallen dramatically. We will ensure the annual policy costs and levies on household energy bills are lower in each year of the next Parliament than they were in 2023.
- › **Reforming the Climate Change Committee**, giving it an explicit mandate to consider cost to households and UK energy security in its future climate advice.
- › **Ruling out creating further green levies**, and alongside our commitment not to introduce road pricing schemes, we will also rule out any frequent flyer levy.

Energy bills are falling, down 63% since the peak. We will take further action to ensure they are low as possible for families, by:

- › **Maintaining our energy price cap**, protecting millions of households from being overcharged by their supplier. As the energy market advances, the price cap will need to evolve and we will ensure the regulator has the necessary powers to continue protecting consumers.
- › **Reviewing and reforming standing charges** to keep them as low as possible.
- › **Delivering our Pumpwatch scheme** that will force petrol retailers to share live information on their prices, helping drivers to get a fair price at the pump.

- › **Introducing more efficient local markets for electricity**, which expert analysis estimates would save £20 - £45 per household per year.
- › Giving households the choice of smart energy tariffs, which can save them £900 a year.
- › **Implementing the recommendations of the Winsor Review**, ensuring networks are able to buy forward with confidence and **cutting waiting times to get a grid connection** to deliver an estimated saving of £15 - £25 per household per year out to 2035.
- › Recognising technological developments over the last decade, we will undertake a rapid review into the advantages of alternative network technologies, compared to overhead pylons. The review will consider moving to a presumption in favour of undergrounding where cost competitive.

Almost half of homes in England are now energy efficiency Band C, up from just one in seven in 2010. We will invest £6 billion in energy efficiency over the next three years to make around a million homes warmer. And we will fund an energy efficiency voucher scheme, open to every household in England, to support the installation of energy efficiency measures and solar panels, helping families lower their bills.

We will **ensure democratic consent for onshore wind**, striking the right balance between energy security and the views of their local communities. Our updated National Planning Policy Framework seeks to ensure local areas that host onshore wind directly benefit, including potentially through energy bill discounts.

We will **support solar in the right places, not on our best agricultural land**. We have changed planning rules to protect the best agricultural land with a presumption that this is used for food production, while also making it easier for solar to be located on brownfield sites and on rooftops. Our new planning rules also prevent multiple solar farms being clustered in one area to help protect our rural landscapes. We will retain the current moratorium on fracking.