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BEIS Commissioned Review of UK Delivery of Net Zero

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On January 13, an independent report was **published** into the UK government's approach to delivering on its net zero obligations. The review, commissioned by the Department for Business, Energy & Industrial Strategy (BEIS), was carried out over three months with the objective of looking into how the UK might meet its net zero obligations "in a more affordable and efficient manner, one which is pro-business, pro-enterprise and pro-growth." The chair of the review, Member of Parliament Chris Skidmore, oversaw the consultation of a broad range of stakeholders including investors, industry participants and experts. This review follows the UK Government's **strategy** on achieving net zero greenhouse gas emissions by 2050, first published in October 2021.

The **review**, which included over 1,800 responses to a call for evidence and 50 roundtable discussions, concluded that:

- Net zero is creating a new era of change and opportunity
- The UK must act decisively to seize the economic opportunities and smooth the transition
- The benefits of investing in net zero today outweigh the costs
- Unlocking the ambition of places and communities will deliver the most successful version of net zero
- Net zero can materially improve people's lives – now and in 2050 – but work is needed to secure the benefits and minimize costs
- Net zero by 2050 remains the right target for the UK: it is backed by the science, widely followed, and is creating real opportunity
- Significant additional government action is required to ensure that the UK achieves net zero in the best way possible for the economy and the public

The report criticizes the government in several areas, including the slow pace of change, policy inconsistencies and the lack of long-term planning. The report also highlighted concern over how to fund a green transition, opining that the lack of certainty and government commitment likely are restraining the deployment of green technologies. In its response to the call for evidence, the Confederation of British Industries highlighted these types of concerns, stating: “Inconsistency in policy [...] lag time to get projects up and running due to slow and inconsistent approaches to planning and consenting across technologies and regions [and] lack of clarity over clear delivery pathways and interim targets with key milestones for adoption.” The report includes examples of other countries’ steps to achieve net zero, including the United States’ \$370 billion commitment to clean energy as part of its 2022 Inflation Reduction Act. The report warned that without significant action, the UK could fall behind.

The report concludes by stating:

“The Review recommends that ... the Government meet the net present danger of not acting fast enough by taking forward a series of no regrets and no excuses policy recommendations that can be delivered now, as soon as possible ... The ‘25 by 2025’ set out twenty-five policies that the Review believes that the Government can take forward now, to deliver meaningful change that will have a positive impact on the UK’s net zero ambitions. Of course, other recommendations must be taken forwards, but we recognise the need to above all build long term certainty and stability for these measures to succeed. The ‘25 by 2025’ can provide an immediate signal of the Government’s intent to deliver on net zero, but also to remove the barriers that are preventing business and industry going further, faster.”

The recommended 25 policies to be implemented by 2025 include the phasing out of residential gas boilers, increased building standards, including the requirement for new homes to be built with solar, and providing longer-term funding to reassure market participants.

Taking The Temperature: The BEIS Review highlights that for the UK to meet its obligations it must take significant steps in the short term to maximize the opportunities offered by a net zero future and that, as stated in the report, “delay is a significant risk.” The UK, along with many other countries, has made a great number of climate-related promises in recent years, including the Paris Agreement. The policies set out in the ‘25 by 2025’ suggest various improvements to residential properties, greater cooperation among regulators to provide a stable and coherent investment environment along with additional investments in hydrogen and nuclear technologies. The real challenge of meeting these obligations has yet to be reached. It remains to be seen if any of these policies, including the ‘25 by 2025’ as set out in the report, will be implemented by the government.