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British Government to Establish Department for Energy Security and Net Zero

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On February 7, the British government **announced** the creation of four new departments, including the Department for Energy Security and Net Zero. The new department has been tasked with “securing [Britain’s] long-term energy supply, bringing down bills and halving inflation.” The press release also states that the “move recognises the significant impact rising prices have had on households across the country as a result of Putin’s illegal war in Ukraine, and the need to secure more energy from domestic nuclear and renewable sources as we seize the opportunities of net zero.” The UK government has **stated** that the new department will be headed up by the current Department for Business, Energy and Industrial Strategy (BEIS) Secretary of State, Grant Shapps. The BEIS will be broken up as part of this reorganization. This decision comes almost seven years after the **Department of Energy & Climate Change** became part of the Department for BEIS in July 2016.

Before its breakup, BEIS had commissioned an independent review into the UK’s delivery of Net Zero, which was **published** on January 13. This review follows the UK Government’s initial publication in October 2021 of its **strategy** for achieving net zero greenhouse gas emissions by 2050.

Alexander Stafford MP, Chair of the All-Party Parliamentary Group on environmental, social, and governance, **stated** that the establishment “must lead to a scaling up of the UK’s net zero ambitions, with ESG considerations positioned at the core of the Department for Energy Security and Net Zero’s strategy. This newly created department must grasp the clear opportunities provided by ESG frameworks for the race to net zero.”

Greenpeace UK director of policy Doug Parr, gave a different view, **stating** “[a]s climate disasters intensify, energy costs spiral and the world continues to sink under rising seas, without other fundamental reforms, re-establishing a department for energy will be as helpful as rearranging the deck chairs on the Titanic,” and “[u]nless the new-look Department ... is given

the freedom and funding to rapidly scale up renewable energy production — both offshore and on — to shore up domestic supply, as well as roll out a nationwide scheme to insulate the tens of millions of energy-wasting homes across the country, what's the point?"

This move follows similar statements from other government department heads, including by the Competition and Markets Authority's Chief Executive, who **stated** that it was her priority to "accelerate the UK's transition to a net zero economy."

Taking the Temperature: Until substantial policy intentions and timelines are published, it remains to be seen if this development is simply window dressing or something more significant. The BEIS Review observed that the government must take significant steps in the short term to maximize net zero opportunities and that delay would be a "significant risk." The lack of change in leadership of the new department suggests that it is unlikely there will be a significant divergence in current policy as established in the October 2021 net zero policy.