



*GK Point of View:*

## Does the British Energy Security Strategy do enough to address the energy crisis and improve Britain's energy independence?

Sam Tankard, GK Senior Adviser // [sam@gkstrategy.com](mailto:sam@gkstrategy.com)

The Government has finally published its long-awaited [British Energy Security Strategy](#) which outlines the ministers' plans to boost the UK's long-term energy independence as it seeks to reduce its reliance on fossil fuels in volatile global markets. The strategy emerges against the backdrop of soaring energy prices – rising due to increased demand, as the world recovers from the pandemic, and exacerbated by Russia's devastating invasion of Ukraine. These events have combined to create an energy supply crisis and sky-rocketing bills for British families, prompting the Government to set out its new plans for the future. But does its new strategy do enough?

### **New nuclear**

The key takeaway is that the new strategy is a very supply-focused one, with the Government aiming for **95% of electricity to be low carbon by 2030** and for much of this to be domestically produced. The strategy also reveals that the Government has put its so-called 'big bet' on new nuclear. The strategy promises up to **eight more large-scale reactors by 2050** which, if delivered, means that a quarter of all UK electricity would be generated by new nuclear, with the soon-to-be-formed Great British Nuclear government body helping to expedite this process. This is an incredibly ambitious target, especially as Hinkley Point C is the only UK nuclear plant that has begun construction in the last 30 years and has gone hugely over budget – a powerful reminder of just how expensive and time-consuming it can be for these projects are to get over the line, as a result of highly complex planning processes.

## Wind power: onshore and offshore

The strategy also points to wind power as a key tool in enabling the Government to achieve its energy resilience aims, proposing for **50GW of energy to come from offshore wind** – 5GW of which from pioneering ‘floating’ offshore wind farms. This will be underpinned by new planning reforms, which aim to cut the approval times for new wind farms from four years to one, enabling the country to take advantage of one of the cheapest and most successful forms of clean energy production. However, it is worth noting that the development and deployment of a wind farm has previously taken up to 13 years, so this is far from a short-term fix. There is similar commitment to onshore wind, where the Government will be consulting to identify supportive communities that would be willing to host onshore wind generation in return for lower energy bills.

## Solar farms

Solar power is another avenue which has proved to be popular among many MPs as it represents one of the cheapest, greenest and fastest means of boosting domestic power generation, with the strategy outlining plans to **increase capacity up to fivefold by 2035**. However, solar farms are, similarly, often held up in the local planning process and can still prove divisive at local planning committees.

## Heat pumps

The Government also plans to build on its commitments to heat pumps, announced as part of COP26 and in its Heat and Buildings Strategy, by running a **Heat Pump Investment Accelerator Competition** – worth up to £30m. There are still questions to be answered as to the extent to which existing Government support will actually encourage homeowners to purchase and fit heat pumps, given they remain prohibitively expensive, despite the Chancellor’s [removal of VAT on energy saving fittings](#) for homes in the recent Spring Statement. As such, the short-term impact of this initiative, especially on energy bills for many working families, leaves much to be desired.

## Short-term solutions and Energy Efficiency

The above avenues are, of course, generally long-term solutions, so the strategy also describes how the Government plans to improve the use of North Sea oil and gas in the short-term. In particular, it proposes offering expedited licences to explore new oil and gas fields in the North Sea, which has led to widespread criticism from environmental groups which say the Government has ‘sided’ with big oil and gas. The move has come after sustained pressure from Tory MPs but senior ministers, including [Business Secretary Kwasi Kwarteng](#) himself, recognise that it will do nothing to lower the price of the commodities themselves. The one saving grace, from environmentalists’ perspective, is that the Government has resisted calls to reopen fracking for shale gas for now, dependent on the science.

What is hugely lacking in the strategy is a coherent plan to reduce domestic demand for energy in the short-to-medium term. As experts at the [Durham Energy Institute](#) have pointed out, one of the best ways to do this is by improving domestic energy efficiency – particularly in the UK housing stock, as only 40% of homes have sufficient loft insulation. With energy bills nearly doubling for some families in poorly insulated homes – and prices expected to rise again in autumn – offering more support to insulate homes would be one of the most effective short-term measures to tackle rising energy bills. By extension, reducing demand would reduce Britain’s reliance on foreign gas while driving down consumers’ energy bills. It is no surprise, therefore, that we are seeing Opposition MPs and green energy groups criticising the Government for this massive, missed opportunity.

It seems, therefore, the Prime Minister’s penchant for shiny new infrastructure projects over smaller scale measures (like energy efficiency), coupled with the Chancellor’s hesitancy to up re-open his wallet, has meant that the British Energy Security Strategy does very little to address the short-term cost of living issues facing many families. It simultaneously keeps Britain overly reliant on fossil fuels in the short-to-medium term, while the lofty long-term supply-side ambitions remain underfunded and a very long way off indeed.

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For more information about the British Energy Security Strategy or energy policy more widely, please do not hesitate to get in touch with [sam@gkstrategy.com](mailto:sam@gkstrategy.com)