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# What does the Liz Truss premiership mean for the UK's net zero agenda?

As the dust settles after a tumultuous first month for new Prime Minister, Liz Truss has now set out how she intends to navigate the country out of a torrid mix of soaring energy bills and flatlining economic growth. However, questions remain about how committed she will be to decarbonising the UK, investing in renewable energy, and pursuing the net zero targets that were so important to her predecessor.

Throughout the summer Conservative leadership election, Truss was seen as the 'Johnson continuity candidate', after being reluctant to criticise his record in office. However, her campaign was littered with criticisms of the spread of solar power 'paraphernalia' in fields, and she also campaigned on an unashamedly pro-market, deregulatory ticket. These latter views were made particularly clear in her speeches at the recent Conservative Party Conference and in the widely criticised <u>Growth Plan</u>, which seems to put her at odds with Johnson's legacy on net zero.

### Abandoning the push for net zero?

Whilst Truss did, in principle, commit to these targets, a number of developments suggest, strongly, that she is less keen on pursuing a pro-environment agenda. They include the decisions to lift the moratorium on fracking and expand licensing for North Sea oil extraction as ways of improving the UK's energy resilience and lowering energy prices – despite concerns from the Conservative Environment Network about the limited price impact this is likely to have. Furthermore, in an attempt to cut taxes and lower household bills, she remains committed to axing the green levies on consumers' energy bills, although they equate to only around 8% of the bills' size and contribute significantly to renewable energy generation. It would seem, therefore, that investing in renewables and alternative, low carbon energy measures are relatively low on Truss's agenda.

This seems to be all the more the case when looking at her new ministerial team at BEIS - the principal department responsible for delivering net zero. The appointment of climate-sceptic Jacob Rees-Mogg as Secretary of State for Business, Energy and Industrial Strategy has raised eyebrows among many green Tories who are worried about what the environmental cost of his (and her) essentially deregulatory approach to the economy.

Rees-Mogg will be emboldened by Truss's own deregulatory approaches to energy as he, too, has called for a return to the exploration of fracking and has previously been candid on wanting to "squeeze every last cubic inch of gas" from the North Sea. He fears that pursuing the net zero targets would come at a 'huge regulatory cost' and wouldn't make much long-term impact - thus jeopardising hopes the UK will make good on its climate commitments.

### Some greener hands on the wheel

However, the appointment of Graham Stuart MP to the climate brief within BEIS offers a healthy counterweight as he is someone who is similarly pro-markets but far more enthusiastic about tackling climate change. Indeed, he has declared climate change to be one of the greatest challenges that we will face, criticised fracking as a means of increasing energy supply, and has welcomed investment into carbon capture and green hydrogen. Importantly, Stuart will attend Cabinet together with Rees-Mogg but unlike their other BEIS ministerial colleagues. This offers an element of reassurance that Truss is still taking the climate crisis seriously in a 'conservative way', although a more cynical mind might suggest it is just a way to appease Johnson loyalists and green Tories.

It remains to be seen whether Stuart will be able to count on the backing of his BEIS colleague Jackie-Doyle Price MP, owing to her longstanding <u>opposition</u> to wind power. However, in her role as Minster for Industry, and her belief that Brexit will provide <u>opportunities</u> to decarbonise, it will be essential for Doyle-Price to bring down industry coal usage and scale up recycling processes if she is to deliver on the tricky job of helping to <u>decarbonise heavy industry</u>.

Environmentalists will also hope that the continuing presence of former Business Secretary Kwasi Kwarteng MP - in his new, more senior role as Chancellor - will help to steer BEIS in the right direction, as he proved himself to be a net zero champion during his recent tenure at the department. Likewise, the appointment of climate campaigning MP <u>Chris Skidmore</u> to lead a climate review is also likely to be welcomed; his review, which will lay out the commercial opportunities from pursuing net zero, should put an end to the debate about its economic costs.

## The winds of change

Of all the technological opportunities available, it seems the Government is directing its deregulatory approach to ease planning reform for onshore wind, particularly in the 40 new 'investment zones' - despite opposition from a caucus of Conservative backbenchers from comparatively 'leafy' constituencies, who would prefer all new wind power to be generated solely offshore. However, despite the 'nimby' protestations, recent research (undertaken since Russian's invasion of Ukraine) has shown that support for onshore wind farms runs deep and is widespread, even in rural communities. It is one of the quickest options to deploy, generates clean energy, improves domestic energy security and can provide lower prices for consumers - particularly for those closest to the farms.

#### The road ahead

Ultimately, it seems that Liz Truss remains in two minds about truly 'pinning her colours to the mast' on net zero. While there are exciting opportunities for the sector with investment zones and planning deregulation, which might unlock investment into innovative green energy projects across the UK, the short-term focus on oil, gas and fracking under the steer of climate sceptic Jacob Rees-Mogg is giving both environmentalists and more far-sighted investors a lot of cause for concern.