**Shapps sets out plans to drive multi billion pound investment in energy revolution**

Energy Security Secretary outlines steps to strengthen Britain's long-term energy security and independence to help deliver clean, prosperous future for the country.

Ambitious plans to scale up affordable, clean, homegrown power and build thriving green industries in Britain have been unveiled by the government today (Thursday 30 March) - boosting the country’s energy security and independence and reducing household bills for the long term and maintaining a world-leading position in achieving net zero.

Putin’s illegal invasion of Ukraine had a devastating effect on global energy markets, forcing up wholesale prices and with it the energy bills of households and businesses in the UK and around the world.  In response, the government has taken steps to shield consumers and companies from the worst effects, paying around half a typical household’s bill over the winter and half the wholesale energy costs paid by some businesses.

After decades of reliance on importing expensive, foreign fossil fuels, the government is delivering a radical shift in our energy system towards cleaner, more affordable energy sources to power more of Britain from Britain.

In doing so, plans will help deliver on the Prime Minister’s promise to grow the economy across the country, supporting almost half a million new green jobs by 2030, creating a strategic advantage in new clean industries, and generating opportunities for UK businesses to export their expertise around the world.

Building on decisive government action taken since 2021, measures announced today include:

* world leading commitment to carbon capture usage and storage – the first projects will be announced to progress to the next stage of the negotiations to rollout the first carbon capture clusters in our industrial heartlands. The round for areas to apply for 2 additional future clusters has also been launched and there will be an opportunity for further projects to be added to the first 2 clusters. These announcements build on the £20 billion CCUS funding
* kickstarting investment into the UK’s emerging floating offshore wind industry by launching the £160 million fund to support port infrastructure projects, securing the UK’s leadership in this new technology
* backing the first tranche of new green hydrogen production projects under the £240 million Net Zero Hydrogen Fund as part of development of this new power source
* opening the fifth round of the UK’s world-leading scheme to incentivise investment in renewable electricity, backed by a budget of £205 million. Now being held annually, Contracts for Difference will build on the UK levy-funded support for renewable power since 2010 of around £80 billion
* announcing Great British Nuclear, will initially be led by Simon Bowen as interim Chair and Gwen Parry-Jones OBE as interim Chief Executive Officer: with GBN’s first job to launch a new competition to select the best small modular reactor technologies – one of the most advanced nuclear power technologies in the world – for development by Autumn
* speeding up the planning process to attract investment – reforming the planning process to enable the building of more energy infrastructure including solar power and offshore wind projects more quickly
* cutting household bills by expanding government energy efficiency support to even more households - the Great British Insulation Scheme, a rebranded ECO+, will upgrade 300,000 of the country’s least energy efficient homes.
* investing more than £380 million into boosting electric vehicle (EV) charging points and infrastructure across the country to support the rollout of electric vehicles
* reducing our reliance on fossil fuels to heat our buildings – a new £30 million Heat Pump Investment Accelerator is designed to leverage £270 million private investment to boost manufacturing and supply of heat pumps in the UK. The Boiler Upgrade Scheme, which offers a £5,000 grant to anyone buying a heat pump, will be extended to 2028
* providing UK Export Finance with an extra £10 billion capacity to boost exports, including from the UK’s world leading clean growth sectors
* building a stable environment for businesses to invest and grow in the transition to electric vehicles and sustainable aviation fuel

Prime Minister Rishi Sunak said:

When global energy supplies are disrupted and weaponised by the likes of Putin, we have seen household bills soar and economic growth slow around the world.

We have stepped in to shield people from its worst impacts by helping to pay around half the typical energy bill. But we are also stepping up to power Britain and ensure our energy security in the long term with more affordable, clean energy from Britain, so we can drive down energy prices and grow our economy.

That’s why we’re driving forward plans to boost renewables, revive nuclear and build new thriving industries like carbon capture, which will in turn create good jobs across the country, provide new opportunities for British businesses at home and abroad, and maintain our world-leading action to reach net zero.

Energy Security Secretary Grant Shapps said:

We have seen over the past year what can happen when global energy supplies are disrupted, and a tyrant like Putin uses energy as a weapon.

Access to cheap, abundant and reliable energy provide the foundation stone of a thriving economy with our homes and businesses relying on it to deliver our future prosperity.

Following our unprecedented cost of living support this Winter, which continues, this plan now sets out how we fix this problem in the long term to deliver wholesale UK electricity prices that rank amongst the cheapest in Europe, as we export our green growth expertise to the world.

Chancellor of the Exchequer Jeremy Hunt said:

Transforming our energy system is no longer just about tackling climate change, it is also a matter of national security. To protect ourselves from future price spikes, we need to accelerate the move to cleaner, cheaper, home-grown energy.

By unlocking billions of pounds of private capital through our Green Finance Strategy, we generate more of the energy we need in Britain and create new industries and jobs that are built to last.

Since 2010, the UK has seen £198 billion of investment into low carbon energy, through a mixture of government funding, private investment and levies on consumer bills. Going forward we anticipate around £100 billion of private investment will be forthcoming into the UK’s energy revolution. The UK has also broken numerous records in generating renewable electricity, leading the world in offshore wind – the UK is now in prime position to export its world-leading expertise.

This will drive green growth at home and abroad and see British businesses set the standard for a clean, secure and prosperous future.

Building on our COP26 Presidency and our role in agreeing the Global Biodiversity Framework, the UK will continue to lead international action in tackling climate change and biodiversity loss, working with our partners and delivering on our £11.6 billion International Climate Finance commitment. The 2030 Strategic Framework for International Climate and Nature Action and the International Climate Finance Strategy set out today what this will look like in practice.

**Stakeholder reaction**

Simon Bowen, Great British Nuclear, Interim Chair said:

The launch of Great British Nuclear marks the next step in the UK’s nuclear renaissance and I am delighted to part of it. GBN will drive the delivery of a successful programme of nuclear new build projects faster offering real value for money and providing a more stable energy future for our country. It is a great privilege to have the opportunity to work with Gwen to build our team and ensure the organisation’s success.

Gwen Parry-Jones OBE, Great British Nuclear Interim CEO said:

I strongly believe that GBN will drive the delivery of new nuclear projects, building a resilient and secure energy system and creating a powerful economic legacy for the UK. I am honoured to have the opportunity to serve as GBN’s interim CEO and guide it through its formative stage.

A spokesperson from Rolls-Royce SMR said:

Rolls-Royce SMR welcomes the government’s commitment to investing in an energy revolution and moving at pace towards cleaner, more affordable ‘home-grown’ energy sources. The Rolls-Royce Small Modular Reactor (SMR) can begin providing stable, secure supplies of low-cost power by the early 2030’s and we look forward to engaging in Great British Nuclear’s selection process.

Our organisation has a strong nuclear heritage and the Rolls-Royce SMR design is based on well understood nuclear technology, already making good progress through assessment by the industry’s independent regulators.

As the UK’s sovereign nuclear technology, we are well placed to support the government’s energy security and net zero objectives.

Hannah Gurga, ABI Director General, says:

The insurance and long-term savings sector welcomes the government’s renewed commitment to transforming the UK economy to reach net zero and protect our natural environment. It is right to emphasise speeding up delivery of large-scale energy projects alongside targeted support for technology innovations where the UK can become a world leader. As a sector that offers both investment capacity and risk management expertise, we urge the government to work closely with our sector to support these projects to be a success. It is important that the government continues to send strong signals to markets about the growth opportunities it sees in net zero technology to enable sustained investment.

The package of measures the Chancellor has announced in the updated Green Finance Strategy provide a platform through which our sector can deliver on the ambitions set in the ABI’s world leading Climate Change Roadmap. In particular, it is important that the government remains committed to mandatory publication of transition plans and sets out how nature can be incorporated into these plans. The ABI will work with the government to ensure the range of proposals in this strategy can be implemented effectively.

Chris Hewett, Chief Executive of Solar Energy UK, said:

Solar Energy UK strongly welcomes the taskforce, which is a clear indication from the government that it wants the UK to take full advantage of solar energy’s vast economic potential. We look forward to working closely with ministers to lay the path towards a 5-fold increase in solar capacity in the UK by 2035.

**Notes to editors**

Read the full document [Powering Up Britain - Energy Security Plan](https://www.gov.uk/government/publications/powering-up-britain).

As part of today’s plan, the government is also today publishing its formal response to Chris Skidmore MP’s independent Net Zero Review, acting decisively confirm that we are partly or fully acting upon 23 recommendations from the Independent Review of Net Zero report’s 25 recommendations for 2025, to ensure that the UK’s journey to net zero by 2050 is pro-business and pro-growth.  These are contained within Powering Up Britain.

**Measures to be announced today**

**Generating clean energy**

1. World leading commitment to carbon capture, usage and storage: the first projects will be announced to progress to the next stage of the negotiations to rollout the first carbon capture clusters in our industrial heartlands. The Prime Minister and Energy Security Secretary have also launched the round for areas to apply for 2 additional future clusters and confirmed there will be an opportunity for further projects to be added to the first 2 clusters. These announcements build on the £20 billion CCUS funding package announced in the Spring Budget - all of which demonstrates the government’s commitment to making the UK a world leader in this sector.

2. Delivering Great British Nuclear: Great British Nuclear will initially be led by Simon Bowen as interim Chair and Gwen Parry-Jones as interim Chief Executive Officer. Gwen will commence the role in May to allow her to hand over her responsibilities at Magnox in an orderly way. Based in or around the Greater Manchester area, this organisation will be responsible for driving the delivery of new nuclear projects, with the aim that up to 25% of the UK’s electricity could be from nuclear sources by 2050 – up from 15% today. The first job for Great British Nuclear will be launching a competition to select the best small modular reactor technologies for development – smaller nuclear plants based on the latest technology – by Autumn.

3. Delivering a hydrogen economy: announcing funding awards to new hydrogen projects across the across the country, from the £240 million Net Zero Hydrogen Fund, to kickstart this sector in the UK. Announcing a shortlist of 20 projects to take to the next stage in the first electrolytic hydrogen allocation round. The government’s ambition is for the UK to be generating enough to power all of London for a year by 2030.

4. Accelerating deployment of renewables: the government today opens the bidding for the fifth round of funding through the world-leading Contracts for Difference scheme, for an initial budget of £205 million, to support new renewable energy projects across the country alongside private investment. On top of this, Grant Shapps is launching the Floating Offshore Wind Manufacturing Scheme, providing up to £160 million to kick start the investment in port infrastructure projects needed to deliver our floating offshore wind ambitions, and a new taskforce will be established to support more solar power coming onto the grid.

**Reducing demand by increasing household and business energy efficiency**

5. Reducing energy bills by increasing energy efficiency: up to 80% of people across the country in council tax bands A-D will qualify for support to make their homes more energy-efficient under a new ECO+ scheme, to be called the ‘Great British Insulation Scheme’. This will mean around 300,000 more of the country’s least efficient homes could benefit from improvements saving households on average around £300-400 a year on energy bills, and forms part of a £1 billion energy efficiency programme running from Spring until March 2026 – contributing towards the government’s target to reduce energy demand by 15% by 2030.

6. Reducing our reliance on fossil fuels to heat our buildings: a new £30 million Heat Pump Investment Accelerator is designed to leverage £270 million private investment to boost manufacturing and supply of heat pumps in the UK. The government announces an extension of the Boiler Upgrade Scheme, until 2028, which offers a grant of up to £5,000 to anyone buying a heat pump, helping to make it cheaper to buy and run a heat pump than a gas boiler.

7. Driving household electricity bills down: confirmation that the government will set out plans during 2023-2024 to rebalance gas and electricity costs in household bills with the aim of making electricity bills cheaper and speeding up electrification for households and businesses.

**Speeding up the planning process, greening the economy and attracting finance**

8. Speeding up planning: a new set of revised Energy National Policy Statements for consultation which will speed up planning approvals for the energy infrastructure needed to power homes and businesses with the latest low carbon technologies, such as solar power and offshore wind.  An investigation by the Electricity Networks Commissioner will examine what else can be done to speed up network infrastructure, with recommendations delivered to Ministers by June. A consultation has also been launched today to ensure local communities can benefit from the development of new network infrastructure in their area.

9. Decarbonising transport: reducing carbon emissions in the transport network will be key to reaching net zero, and so the government is investing a further £381 million through today’s launch of the Local Electric Vehicle Infrastructure fund, along with £15 million for the On-Street Residential Chargepoint Scheme, to help install tens of thousands of new chargers across the country – alongside private sector investment. This supports the world-leading zero emission vehicle mandate which the government is consulting on from today, helping to provide certainty to the sector and boosting the market of second-hand electric vehicles. In addition, we are driving domestic production and use of sustainable aviation fuels (SAF) by opening the second round of the £165 million Advanced Fuels Fund and launching the second SAF mandate consultation.

10. Mobilising private investment: the Chancellor of the Exchequer Jeremy Hunt will today unveil an update to the Green Finance Strategy that will mobilise the billions of private investment needed for net zero and nature recovery. It includes the next steps to becoming the world’s first Net Zero-aligned Financial Centre, by consulting on requirements for the UK’s largest firms to publish net zero transition plans mirroring requirements for financial firms; consulting on regulating ESG rating providers; and announcing a series of new investment roadmaps sign posting opportunities in the offshore wind, hydrogen, CCUS and heat pump sectors.  The government is also launching a review, led by Lord Harrington of Watford, into how the UK can better attract foreign direct investment across five growth areas, including green industries.

11. Boosting exports and regulation: UK Export Finance has also been given an extra £10 billion capacity to boost exports, including from the UK’s world leading clean growth sectors. The government will also publish Patrick Vallance’s Pro-Innovation Regulation of Technologies Review to support growth and innovation in green industries, and its response, which accepts all 9 recommendations including on grid capacity, heat pumps and electric vehicle charging infrastructure.

12. Addressing future carbon leakage: alongside this, the government is also publishing a consultation on measures to address future carbon leakage risk - where businesses move production and associated emissions from one country to another due to differences in climate regulation or carbon pricing. This will give industry confidence to invest in the UK in the knowledge their decarbonisation efforts won’t be undermined.

**Also today**

Today the UK Infrastructure Bank (UKIB) has announced it will appoint managers for equity funds covering both short and long duration electricity storage. The bank will invest up to £200 million across the 2 funds on a matched basis, crowding-in wider sources of finance into the sector, and expects to make direct investments in electricity storage going forward.