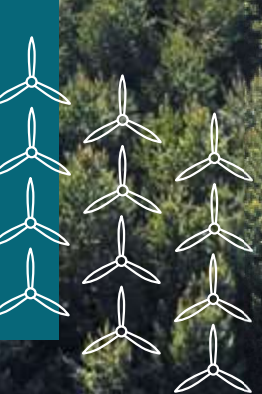


# From Ambition to Action

A Delivery Plan for Cleaner, Homegrown Energy

**June 2023**



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## Foreword:

# From Ambition to Action

## A Delivery Plan for Cleaner, Homegrown Energy

The next UK Government has a historic opportunity.

**It can build a Britain where clean homegrown energy drives economic growth, supports families and leads the world in tackling climate change, or it can lose the global race and stay dependent on expensive imported gas and the regimes that control it.**

We know what the public want. Polls consistently show overwhelming support for cleaner, homegrown energy. Not only because it is cheaper, or that it disarms those who want to weaponise energy against us, but because decarbonising means we can look our children in the eye and say this generation was part of the solution.

But getting there will need partnership between government, communities, workers, investors and many others. It will also need action, not just ambition.

Whichever government is formed after the next General Election, they will not have long to deliver on ambitious targets which have been set by all parties to ramp up renewables and decarbonise the power sector.

This document sets out how the next UK Government can hit the ground running and the steps they can take to seize this unique opportunity and deliver for the British people.

At SSE, we see ourselves as the UK's clean energy champion and we take that role extremely seriously. We plan to invest at least £40bn in the decade up to 2031/32, creating and supporting tens of thousands of good green jobs from the Isle of Wight to Shetland.

In the process, we are building more offshore wind than anyone else in the world, transforming our electricity grids, at a local and national level, to enable widespread electrification and pioneering new technologies like carbon capture and hydrogen storage that will keep the lights on when the sun doesn't shine, and the wind doesn't blow.

We hope this document proves useful to all political parties as they develop their positions. There are also instances where action should be taken prior to the

next election to keep the country on track to meet longer term targets. We look forward to working with all stakeholders in the coming months to build on these proposals and help make the 2020s a decade of delivery.



**Alistair Phillips-Davies**  
Chief Executive,  
SSE plc



# Making the UK a magnet for green investment

How can the next Government make the UK one of the best places in the world to invest in and build clean energy infrastructure?

Over the last twelve months, the UK has experienced an energy crisis which has resulted in rocketing inflation, economic turbulence, and tremendous strain on households and businesses. It is a crisis which necessitated one of the most expensive government interventions since the Second World War to help households and businesses manage their energy costs.

The cause of the crisis is clear – the Russian invasion of Ukraine and its effect on the price of fossil fuels in the global market. The war has shone a bright light on the importance that energy plays in our economic resilience and our global security.

The solution to this gas crisis is equally clear. We already knew that we needed to drive the electrification of our economy to end our dependence on imported fossil fuels as part of the essential effort to combat climate change. Recent experience has given that cause even greater impetus and urgency.

The good news is that we have the tools we need to accelerate the transition to an energy system which is both cleaner and more resilient. We know how to build an energy system which is renewables-led; supported by flexible technologies like carbon capture and storage (CCS), hydrogen and batteries; all transported and brought to people's homes and businesses through state-of-the-art electricity networks. By

scaling up investment in our indigenous infrastructure, we can simultaneously deliver on the UK's net zero target and achieve energy independence.

The global nature of the clean energy transition provides a fantastic opportunity for the UK to cement its place as the leading nation in a growth area of the world economy; take a central role in European energy security by creating hubs for offshore wind and hydrogen in the North, Celtic and Irish seas to become a net exporter of electricity by 2028<sup>1</sup> net energy exporter by 2040; and build on COP26 to further establish influence on the international stage through climate diplomacy.

The size of the potential prize here is enormous and if we are in a global race to a greener future, we have a head start on the back of our success in decarbonising the power sector and developing the world's largest offshore wind market. But the risk of falling behind has grown as the US and EU have woken up to the importance of this agenda and announced major support packages to unlock investment in their own clean infrastructure.

If we want to avoid squandering our lead, the next Government will need to turn ambition into action and come up with a clear plan to deliver on the high-level targets which all political parties have set in the energy and climate space.

Government should aim to

**make the UK the easiest place in the world to invest in and build clean energy infrastructure.**

## It should:



Identify areas where the UK can lead the world to **create new economic opportunities** – in **emerging technologies** like CCS, hydrogen, floating offshore wind and offshore grids, but also broader areas of expertise like sustainable finance where the UK can build on its reputation for trusted financial markets to become a global hub.



Learn the lessons from our success in offshore wind and **create stable, investable frameworks and markets** for new renewables and technologies like low carbon thermal generation and electricity storage, evolving these frameworks as necessary along the way.



**Tackle the barriers and bottlenecks in policy and regulation which act as a drag on growth**, slow down infrastructure delivery and add unnecessary years to the time it takes to build a new wind farm or grid connection.



Ensure that this is a **transition which delivers for people across the UK and brings home the green 'wins'** for our economy with policies which enable our domestic supply chains and low carbon manufacturing abilities to grow.



**Improve the energy efficiency of the UK's building stock and drive electrification across the economy** to protect consumers from the impact of a future gas crisis.

In this document we set out specific policies that could achieve this in areas where SSE can best play a role.

These are based on four key pillars for the energy system in Great Britain: **accelerating renewables; building strategic networks; pioneering flexible solutions; and ensuring a just transition for people and nature.**

# Policy Proposals

## Overview

Four key pillars for the next Government to prioritise and unleash a decade of delivery:

1.

## Accelerate Renewables

Unleash our world-leading offshore wind potential and make the UK a renewables powerhouse

### Planning/Consenting

- Halve the average time to deliver an offshore wind farm, from the current twelve years, by accelerating the consenting process.

### Market reform

- Take a targeted approach to electricity market reform to support cost effective investment in clean homegrown energy and break the link between gas and electricity prices.

### Energy storage

- Deliver a six-fold increase in the UK's electricity storage capacity by 2030 to boost the resilience of our energy system and complement the growth in variable power generation.

### European collaboration

- Work collaboratively with neighbours to make the UK and Ireland an energy super-hub for offshore wind and hydrogen to unlock our collective renewables potential and create exportable industries.

2.

## Transform the Networks

Fast-track investment in electricity networks to turbocharge green economic growth across all regions

### Transmission

- Modernise the backbone of our electricity infrastructure with a strategic, co-ordinated approach to electricity transmission network development.

### Distribution

- Drive green growth in our communities by delivering vital upgrades to the local electricity distribution network to make the grid a booster of, and not a drag, on the economy.

### Governance

- Ensure any reforms made to the regulation and governance of the energy sector are aligned to delivering net zero, protect the interests of current and future customers, and do not result in unintended delays to delivering decarbonisation ambitions.

3.

## Build New Flexible Capacity

Revitalise UK industrial heartlands by pioneering clean, flexible energy technologies and green industries

### Power CCS

- Deliver 7-9GW of power-CCS to make the UK the world leader in Carbon Capture and Storage technology, accelerate decarbonisation and boost UK energy security.

### Hydrogen Power

- Set a target of 8GW of hydrogen capable power stations by 2030 to pioneer clean, flexible power generation and deliver net zero electricity.

### Hydrogen economy

- Develop the hydrogen economy recognising the need for hydrogen production, transport, storage and demand to be brought forward in a joined up way.

4.

## Ensure a Just Transition

Build UK supply chains and deliver the benefits of the net zero transition for people and nature

### Supply chain

- Take action to drive investment in the UK's low-carbon manufacturing capabilities to build homegrown supply chains in new green industries, improve the resilience of the energy system and unlock economic growth across all regions of the country.

### Skills

- Put in place a strategic approach to identifying and meeting the skills requirement for the clean energy transition to create a green jobs boom.

### Natural environment

- Implement specific and credible interventions to protect and enhance the natural environment on the transition to net zero.

1.

# Accelerate Renewables

## Unleash our world-leading offshore wind potential and make the UK a renewables powerhouse

The UK has led the world in offshore wind. No other country has moved further and faster in developing a technology that will be crucial to reducing our dependence on imported fossil fuels and building up cheaper, cleaner, homegrown energy.

This has been based on a highly successful partnership model between policymakers, developers and investors that has already displaced coal and now has the opportunity to deliver full decarbonisation of the power sector and a net zero emissions economy.

### Clearing the obstacles to further success

The approach we've taken to date has been successful in the initial development phase of the offshore wind sector. But the challenge now is to unleash the full potential of this industry. This requires a rapid acceleration in the pace of deployment to have any chance of achieving the ambitious targets set by policymakers for the 2030s and beyond.

It currently takes around twelve years to deliver an offshore project from concept to first power. Clearly that is too long and will mean we won't get close to the goal of hitting upwards of 50GW of capacity by 2030.

### Offshore Wind Delivery Time



### A clear plan of action for the next government

We know the barriers and bottlenecks that slow projects down. Below we set out specific examples in the consenting process for offshore wind; and subsequent chapters identify similar barriers in planning, grid and skills. Taken together we believe we can halve delivery time and start generating clean, affordable, homegrown power sooner.

And as we make progress towards an energy system anchored by offshore wind, we need to replicate the successful elements of the approach we've taken to date in securing investment and bringing down cost to consumers. The ongoing Review of Electricity Market Arrangements (REMA) is a critical piece of this puzzle and commitments made pre-election will define how the energy sector considers any upcoming changes in the next Parliament. Transformative redesigns of the electricity market in Great Britain will just add cost and delay during the upcoming decade of delivery.

With policy mechanisms which provide certainty and confidence for investors we can secure investment in a sustainable pipeline of new and existing offshore wind farms but also unlock wider renewables opportunities, most notably in much needed long duration electricity storage like pumped hydro.

# A future Government should commit to:

## Planning/Consenting

Halving the average time to deliver an offshore wind farm, from the current twelve years, by accelerating the permitting process.

- Take action to reduce permitting constraints by giving legal priority to clean energy infrastructure in the public interest and through changes to policy mechanisms to better align the allocation of seabed leases, CfD contracts and grid connections.
- Streamline processes under the Habitats Regulation Assessments (HRA) to protect vital ecosystems whilst enabling the delivery of at least 50GW of offshore wind by 2030.
- Mandate the consideration of net zero for the Statutory Nature Conservation Bodies (SNCBs) who assess and advise government on planning application decisions – acknowledging that delivery of net zero targets is not just an industrial policy but is critical to the future of the natural world. This could be achieved through the updated National Policy Statements and should be accompanied by a commitment to ensuring that the SNCBs are adequately resourced to deliver on the Government's 2030 targets.
- Implement Strategic Compensatory Measures (SCMs) with clarity of how such measures can be applied across projects, organisations and devolved administrations to accelerate the consenting process.

## Market reform

Targeted reform of the electricity market to make it an enabler of clean homegrown energy and break the link between gas and electricity prices.

- Maintain a single GB electricity market and ensure that the Review of Electricity Market Arrangements (REMA) focusses on evolving the current market design to reduce the cost of capital for a capital-intensive energy transition?
- Offer fixed price contracts across all non-flexible, low-carbon generation by extending CfDs across the market. This will provide long-term clarity for new generation to reduce investment costs today, while ensuring a cost-effective mix of new and existing generation from 2030 and meaning electricity consumers will never again be at the mercy of international energy price shocks. It will also ensure the most cost-effective approach to delivering energy targets by maximising the use of existing assets.
- As proposed in the UK's Offshore Wind Champion's recent report, reform the CfD allocation process to build investor certainty and support supply chain investment, putting in place sustainable long-term pricing (reflecting inflationary pressures) and introducing a broader range of criteria; focussing on wider economic value, rather than continuing a race to the bottom on price.
- Ensure market arrangements and investment frameworks facilitate demand-side participation to help reduce overall costs and reward flexible consumers.
- Reinstate the carbon price floor for electricity generation on the

original trajectory for 2030 to accelerate the decarbonisation of the power system and provide certainty to investors.

- Respond to the industry consultation on green energy tariffs and outline proposals to build trust in the market, taking a segmental approach to align with consumer demand, from Corporate PPAs for large corporates and public bodies, to simpler products for less engaged domestic consumers and SMEs who want to do the right thing. This will support renewable energy uptake and/or reduce the cost of CfDs by providing additional revenue streams for renewable developers.

## Energy storage

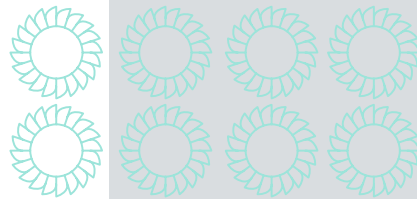
Delivering a six-fold increase in the UK's electricity storage capacity by 2030 to boost the resilience of our energy system and complement the growth in variable power generation.

- Underpin the surge in renewables by putting in place an electricity storage plan to strategically deploy short-, medium- and long-duration storage technologies ahead of system need.
- In advance of the election the Government should bring forward an adapted 'cap and floor' mechanism at a level which can support investment decisions in large-scale long-duration electricity storage by the middle of 2024.

## European collaboration

Working collaboratively with neighbours to make the UK and Ireland an energy super-hub for offshore wind and hydrogen to reinforce the UK's leadership position and create exportable industries

- Following the energy crisis, develop a strengthened UK-EU energy partnership aligning electricity, gas, carbon and hydrogen markets and enabling coordinated infrastructure deployment.
- Building on the MoU signed with the North Seas Energy Cooperation (NSEC), work with Ireland and the EU to put in place infrastructure plans and market arrangements to unlock the vast offshore wind potential of Ireland, Northern Ireland and Scotland, boosting European energy security.
- Work closely with industry and neighbouring markets to deploy at least two 'Energy Islands' by 2035, enabling the UK to become a global leader in the development of this critical offshore energy infrastructure that will reduce onshore infrastructure requirements, support system resilience and unlock more remote wind resources.



# Transform the Networks

## Fast-track investment in electricity networks to turbocharge green economic growth across all regions

There is no point in generating massive amounts of clean homegrown energy if the electricity grid can't transport it to the homes and businesses that need it. These networks are the vital arteries of the clean energy system and key enablers of broader economic growth as anyone wanting to invest in a new factory, data centre, housing development or business park needing a connection to the grid already knows.

But the traditional, incremental, approach from regulators to investment in these networks is no longer fit for purpose. It urgently needs modernisation to meet the scale of the challenges ahead as the UK decarbonises and electricity demand doubles.

This requires a more progressive and nimble regulatory and policy regime that is future-facing, ambitious and acts as an enabler of net zero, not a drag. This means ensuring network companies can build the infrastructure ahead of need so that capacity is in place before the rapid growth in offshore wind, EV charging, heat pumps and other infrastructure demands like housing and IT which we know is coming.

Good progress has already been made in areas such as high voltage transmission where we have seen regulators taking a welcome strategic and coordinated approach to the development of new electricity links. This provides a roadmap which will help reduce the time it takes to connect the scale of offshore wind coming on-line over the next decade, as well as minimising the impact of new infrastructure where it is required. However, to enable ambitious decarbonisation targets to be met, there is more work to be done to remove barriers in the planning process and give supply chain partners visibility and long-term certainty of the net zero infrastructure pipeline.

At a local level, distribution networks

serve our communities and connect homes and businesses to the grid. A lack of appreciation for anticipatory investment by regulators is already slowing growth in local areas and this must change. Government should also encourage local area energy planning, to coordinate infrastructure provision and smooth the transition to net zero for homes and businesses. Investment in capacity, local coordination and a new approach to queue management are needed urgently.

If we get the policy and regulatory frameworks right, our networks can be a platform for green growth, attracting huge investment and creating many thousands of jobs along the way. Failure will mean networks become a barrier to growth, a drag on productivity and the biggest obstacle to net zero. We set out what needs to be done below.



## A future Government should commit to:

### Transmission

Modernise the backbone of our electricity infrastructure with a strategic, co-ordinated approach to transmission network development.

- Put in place an enduring connections process that maximises the value of the existing network, moving to an 'invest then connect' approach, to ensure that under-investment in the transmission network isn't a blocker to parties seeking a connection.
- Build on the success of the Accelerated Strategic Transmission Investment (ASTI) framework which recognised the scale and urgency of investment that needs to occur over the next two decades to connect low carbon generation and meet net zero targets, by working with Ofgem to ensure the next regulatory price control for electricity Transmission Owners (TOs) from 2026 is financeable, ambitious and flexible enough to stay ahead of rapidly increasing and changing demand.
- Develop a target-led, long-term rolling Centralised Strategic Network Plan (CSNP), that gives electricity Transmission Owners (TOs) early certainty over which projects and network upgrades they will be responsible for delivering post 2030, to enable early engagement and contracting with supply chain partners, as well as boosting inward investment in the UK.
- Expedite the delivery of onshore electricity network infrastructure in Scotland, through amendments to Section 37 of the Electricity Act 1989 to remove the automatic Public Local Inquiry trigger, particularly when Local Authority objections go against the recommendation of planning officers; and allowing varying of S37 applications, to reduce the risk of potential delays.
- Build safeguards into proposals for competitive tendering for new transmission networks to protect critical national infrastructure.
  - Learn lessons from the retail market to avoid fragmenting responsibilities for delivery of critical national infrastructure and introducing further delays and complexity in the building of new transmission lines.
  - Develop robust checks and standards for all potential operators with appropriate national security protections.

### Project Delays: Case Study

- Previous transmission network projects which have been subject to Public Local Inquiry, have seen delays of up to four years when trying to secure consents. If any of SSEN Transmission's 2030 projects receive a PLI they will not be delivered in time to support the 2030 offshore wind targets and energy security ambitions. For example, on 28 September 2005 SSEN Transmission submitted a S37 consent application to reinforce a section of the network from Beaulieu to Denny. This project was taken to PLI and following a successful case by SSEN, a decision was issued by the Scottish Ministers on 6 January 2010. The project took 4 years and 4 months to receive consent. The line was energised in 2015.

### Distribution

Drive green growth in our communities by delivering vital upgrades to the local electricity distribution network so that the grid is a booster, and not a drag, on the economy.

- Create the conditions which encourage and expedite strategic investment in the distribution network recognising the scale of investment needed to build consumer confidence in low carbon tech, meet net zero targets, develop network resilience and drive growth in local communities.
- Modernise the regulatory framework to move from a reactive and incremental mindset to a progressive and probabilistic approach which is aligned to long term customer interests.
- Provide policy focus and direction on investment at the Distribution-Transmission interface so that local growth is fully considered and accounted for alongside larger scale Transmission investment.
- Provide the capacity and structures to accelerate the development of Local Area Energy Plans (LAEPs), aligning network input with future energy requirements to prepare the grid in advance.
- Remove the local planning blocker on wayleaves and land rights, giving electricity Distribution Network Operators (DNOs) the same access as other utilities and easing a growing challenge for connections progress.
- Drive innovation projects to accelerate the decarbonisation of island communities, recognising their unique challenges and ability to deploy learnings at a national level and create exportable industries.

### Governance

Ensure regulation and governance of the energy sector is aligned to delivering net zero and protecting the interests of current and future customers.

- Updating the statutory duties of Ofgem to include a clear obligation to support net zero.
- Publish a strong Strategy and Policy Statement (SPS) for Ofgem and the Future System Operator (FSO) which gives clear direction to enable the delivery of statutory net zero targets and puts greater emphasis on economic growth across all regions. The SPS should:
  - Ensure regulatory decisions on investment have considered long-term value.
  - Enable accelerated network investment ahead of need to facilitate timely connections of new sources of clean, renewable generation.
  - Enable a strategic approach to decision-making by defining clear roles and responsibilities.
  - Facilitate whole-system planning recognising where there is existing expertise and knowledge best placed to carry out transmission, distribution and regional network planning functions.

3.

# Build New Flexible Capacity

## Revitalise UK industrial heartlands by pioneering clean, flexible energy technologies and green industries

Decarbonising the power sector is key to decarbonising the rest of the economy, keeping UK industry competitive in a net zero world.

The same low carbon technologies – carbon capture & storage (CCS) and hydrogen – that have been identified by the Climate Change Committee (CCC) as vital for balancing a renewables-led system will also support the decarbonisation of industries where emissions are

hard to abate such as steel making, helping protect an estimated 1.5m jobs in our industrial heartlands.

There is agreement across the political spectrum that CCS and hydrogen will play an important role in the energy system and industrial decarbonisation. However, the level of ambition for these technologies and the pace at which policy is being developed to support deployment is not where it needs to be.

### Increase CCS Ambition

The current Government target for one power-CCS project this decade is likely to only deliver between 700 and 800MW of capacity. This will not be sufficient to keep us on a trajectory to net zero or deliver any of the wider targets which have been set by political parties to increase offshore wind capacity, or accelerate the decarbonisation of the power sector to as early as 2030.

Analysis supports increasing the UK's ambition from 'at least one power CCS plant' this decade to 7-9GW, the equivalent of 10-12 Power CCS plants, on the ground of energy security, decarbonisation and economic value. The higher end of that range would enable the UK to accelerate the transition to a net zero power system and reach 97% clean power by 2030<sup>3</sup>.

Hydrogen for power generation will be one important application in the wider hydrogen economy. Combined with electrolysis and hydrogen storage, hydrogen power generation can load shift significant volumes of renewable electricity, maximising investment in wind and securing the UK's energy supply. To deliver this government policies to support production, demand and transport and storage infrastructure need to be brought forward together to deliver an effective hydrogen economy. Hydrogen transport and storage, in particular, will underpin this new economy and lead times to deploy this infrastructure emphasise the need to start now.

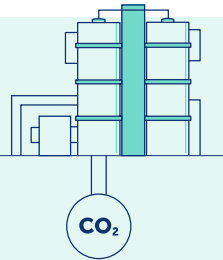
By injecting greater ambition and urgency in

**700-800MW**

expected capacity from one power-CCS project

**7-9GW**

capacity is required for a cost effective pathway to net zero



developing these technologies the next government can unlock a tremendous economic opportunity, both domestically and internationally. In the UK we can revitalise industrial heartlands with investment in new infrastructure and platforms for new green industries.

And thanks to its industrial heritage, geography and geology, the UK has a competitive advantage in this space over our global competitors. By maintaining a global leadership role the UK will be able to export both knowledge and manufacturing capabilities overseas with the opportunity to export low-carbon hydrogen and import CO2 for storage, unlocking significant economic benefits across all regions.

However, we are in a global race for knowledge, expertise and supply chain development and others, notably in Norway and the US, are increasing their pace and ambition in this area. The second half of this decade could be the start of a redrawing of the global energy map if the next government takes the following action:

## A future Government should commit to:

### Power CCS

Make the UK the world leader in Carbon Capture and Storage technology to accelerate decarbonisation and boost UK energy security.

- By delivering 7-9GW of power generation from CCS by 2030 with regular auctions for Dispatchable Power Agreements (DPAs). In combination with other measures this will enable the gross emissions from the GB electricity system to get below 30gCO<sub>2</sub>/kWh by 2030 on the path to net zero<sup>4</sup>.
- Creating at least four low carbon industrial clusters by 2030 to bring green jobs and industry to the UK's industrial heartlands, and targeting to store at least 30m tonnes of CO<sub>2</sub> per year by 2030 with greater ambition for power CCS.
- Fast track multiple low carbon industrial clusters, including developing a CO<sub>2</sub> import hub in Scotland to decarbonise the other UK cluster without access to CO<sub>2</sub> stores and imports from elsewhere in Europe.

### Hydrogen Power

Set a target of 8GW of hydrogen capable power stations by 2030 to pioneer clean, flexible power generation and deliver net zero electricity.

- Work with industry to support new projects through bespoke arrangements and evolution of the Capacity Market to incentivise the deployment of low carbon flexible generation necessary for a clean and secure power system.
- Explore the role of hydrogen to power investment frameworks, to sit alongside Dispatchable Power Agreements (DPAs).

### Hydrogen economy

Taking a holistic approach to the development of a hydrogen economy, recognising the need for hydrogen production, transport, storage and demand to be brought forward in a joined up way.

- Accelerate the development of policies to bring forward infrastructure across the hydrogen value chain, to underpin the delivery of 10GW hydrogen production by 2030 and consider a phase out date for high carbon hydrogen within industrial clusters where there is access to a low carbon alternative.
- Build investor confidence in hydrogen storage by providing interim support for development, while business models are progressed, to enable commercial operation of assets by 2030 as well as defining a hydrogen storage target for 2040.
- Recognise the need for strategic investment in the delivery of CO<sub>2</sub> and hydrogen networks, offering the UK's regional heartlands the opportunity to decarbonise through shared infrastructure and unlocking the renewable energy potential of Ireland, Northern Ireland and Scotland.





# Ensure a Just Transition

## Building UK supply chains and delivering the benefits of the net zero transition for people and nature

The benefits of delivering a cleaner, more secure energy system go beyond decarbonisation and energy security.

With the right set of policies, a well-coordinated transition can create jobs, spread economic opportunity across the country and deliver lasting benefits to society.

There are also risks inherent in not building broad consensus and putting people at the heart of a transition which we know will require a huge national effort. If we are not able to demonstrate the benefits of a cleaner energy system to voters in the UK then political support is likely to diminish.

That means using the policy and regulatory mechanisms that support the building of homegrown infrastructure to make sure more of that investment stays in the UK, to grow our domestic manufacturing/remanufacturing capabilities and supply chains, creating thousands of green jobs. Thinking about how we give those supply chains as much policy certainty and a pipeline of work will also be crucial to growth. Piece-by-piece competition has probably gone as far as it can in driving down costs and at the expense of domestic supply chains. Further cost reductions will likely be driven by standardisation and economies of scale.

But creating new jobs will mean nothing if we don't have the skills base to fill them. In our industry we are facing

some of the biggest challenges in recruitment that we have seen in decades. The skills gap will only widen as the sector grows, unless there is a clear strategy to invest in education and training; develop core capabilities and facilitate the transfer of employees from declining fossil fuel jobs so that people can bring their knowledge and expertise to new, green industries.

We also need to protect the natural environment so that the vital effort to combat climate change does not come at a cost to ecosystems and habitats; that the impact of critical infrastructure on nature is mitigated; and that the climate change and biodiversity crises are tackled together.

We know from past experiences that the costs and benefits of such radical transitions are not distributed fairly without careful planning and a role for government working alongside the private sector. A joined-up, collaborative approach between government, industry and civil society is required.



# A future Government should commit to:

## Supply chain

Take action to drive investment in the UK's low carbon manufacturing capabilities to build homegrown supply chains in new green industries, improve the resilience of the energy system and unlock economic growth across all regions of the country.

- Respond to the investment incentives in the US and the EU by re-focusing the GB policy and regulatory framework on securing domestic supply chain investment, by facilitating early supply chain engagement, and at the sufficient scale to trigger supply chain investments.
  - Reform CfD allocation to support supply chain investment, and deliver sustainable long-term pricing (reflecting inflationary pressures). Options include 'Forward CfDs' or 'Hurdle CfDs' as proposed in the UK's Offshore Wind Champion's recent report.
  - Follow the approach taken in Scotland and elsewhere, and introduce non-price criteria to seabed leasing in England and Wales to deliver a range of societal benefits, and reduce the cost of deploying offshore wind which is ultimately paid by consumers.
  - Introduce a target-led, long-term, and rolling Centralised Strategic Network Plan (CSNP), that gives electricity Transmission Owners (TOs) early certainty over which projects and network upgrades they will be responsible for delivering post 2030.
- Work collaboratively with industry and local communities to build on existing community funding initiatives and develop a strategic approach for the provision of community benefits; ensuring that local communities benefit from hosting infrastructure which is critical to the net zero transition and helping to strengthen the social capital of local places.
- Work with industry to establish a circular approach for replacing onshore and offshore wind components. Establish targets for reused, refurbished or remanufactured parts; creating thousands of jobs and supporting growth in the circular economy, whilst helping to ease supply chain pressures in the sector.

## Skills

Put in place a strategic approach to identifying and meeting the skills requirement for the clean energy transition to create a green jobs boom.

- Support the creation of high-quality jobs through mandated fair work standards, engagement with local communities, and supply chain visibility and transparency.
- Create green energy training academies, based on a collaborative public/private partnership model, that supports the development of core technical skills key to the growth of the energy sector.
- Establish high quality conversion programmes, at scale, to support working people in high carbon sunset industries to transition into the low carbon sunrise industries, supporting an economy wide just transition. Ensure there is a focus on targeting training at role types with projected shortages.
- Provide funding for universities and colleges to increase employer partnership offerings in areas of high specialisms essential for net zero such as HVDC and large capital project management.
- Invest, at scale, in the STEM curriculum encouraging children of all ages to gain an early understanding of the importance of careers in STEM.
- Modernise trainee and apprentice funding, establishing greater flexibility in delivery models so the programmes provide incentives for the creation of sustainable, economically active jobs.
- Extend funding support to encourage the upskilling of existing employees and supply chain staff to meet projected skill shortages. Provide cost recovery incentives for upskilled trainees entering sustainable employment.
- Encourage innovation around inclusion and social mobility by supporting programmes that aim to widen green jobs to the widest possible audience.

## Natural environment

Implement specific and credible interventions to protect and enhance the natural environment on the transition to net zero

- Encourage the development of biodiversity net gain frameworks and workable metrics, underpinned by increasingly sophisticated and mature science reflecting the diversity of eco-systems on the British Isles.
- Recognise the importance of ecological science in the marine environment to the growth of the UK offshore wind sector, including enabling transmission infrastructure.
- Invest in high quality open access science in species in the marine environment to better inform consenting decisions and compensation for offshore wind impacts.
- Facilitate collaboration between community partners, industry, science, and government in the joint effort to mitigate the environmental impact of green infrastructure.

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