

A photograph of a high-voltage electricity pylon against a blue sky with light clouds, framed within a large blue circle. The circle is partially overlapped by other blue circles of varying sizes, creating a layered effect.

# Net Zero by Industry Delivering electrification



**Electricity demand could grow by 70% by 2035<sup>1</sup> with the electrification of heat and transport.**

It is seen as the only viable option for decarbonising buildings and light transport at scale<sup>2</sup> and Government support is needed now to secure our future energy.



**This could require private investment of up to £50 billion per year by 2030<sup>3</sup> which will only be achieved if private investor confidence is made a political priority.**

This is the only way we will encourage inward investment to build the capacity within our electricity grid and begin rolling out electric transport and heat to meet our climate targets.



**If unlocked, this growing market could deliver 480,000 green UK jobs by 2030<sup>4</sup>, with early deployment of this workforce crucial to removing skills as a barrier.**

This creates an unprecedented opportunity to grow green skills in the UK, offering meaningful and futureproofed jobs which enable electrification and give market confidence.



**The supply chain is readying for Government to remove critical regulatory barriers to begin investing in enabling the affordable and timely delivery of Net Zero.**

Business will make Net Zero happen, but some ceilings can only be smashed by Government. These barriers are stalling UK investment and making offshoring an attractive proposition.

<sup>1</sup> Growing the Market for a Net Zero Energy System (BEAMA and Energy Systems Catapult, 2022)

<sup>2</sup> Second National Infrastructure Assessment (NIC, 2023)

<sup>3</sup> Mobilising green investment: 2023 green finance strategy (DESNZ, 2023)

<sup>4</sup> British Energy Security Strategy (DESNZ, 2022)

## An opportunity for UK based manufacturing...

There is a potential £1 trillion global market opportunity for UK business in the net zero transition<sup>5</sup>. Businesses operate on a global scale with high demand for Net Zero enablement technologies. The UK must offer certainty, confidence, and incentives, such as expanding tax relief, for facilities to onshore in the face of this demand and make new technological innovations UK inventions.

This will require clear and concise action from Government to introduce the long

term, criteria-based sectoral regulations which support investment beyond time in office. This must go hand in hand with urgent Government direction on the future of the UK energy strategy, including the role of hydrogen, and reforms to the **cost of electricity**. Once these are removed as political barriers, they will enable market investment in UK manufacturing, whilst unlocking affordable electrification costs and offering clear signals to both current and future UK workforces to train green.

### ...Built with a low emissions core.

Industrial emissions will need to reduce by at least two-thirds by 2035 and require additional private and public investment of at least £14 billion by 2037<sup>6</sup>. To unlock this investment and encourage UK manufacturing a new industrial strategy is required, clearly laying the roadmap for industrial emissions reduction which underpins investor confidence.

This will help the UK to create low emission supply chains which combine economic progress with supporting the reduction of territorial emissions.

- **The supply chain** is poised for UK investment with the right signals from Government.
- **Long-term, criteria-based policy** is key for investor confidence and certainty.
- **Energy policy** is a barrier. Urgent clarity on strategy and cost of electricity reform is required.
- **Train green signals** should emanate from Government to grow the workforce and skills base.

<sup>5</sup> Opportunities for UK businesses in the net zero transition (McKinsey Sustainability, 2021)

<sup>6</sup> Net Zero Strategy: Build Back Greener (DESNZ, 2022)

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