

Rt Hon Boris Johnson MP  
Prime Minister  
10 Downing Street  
London, SW1A 2AA

25th July 2019

**Dear Prime Minister,**

## **LEADING A GOVERNMENT FOR NET ZERO**

Congratulations on your appointment as Prime Minister of the United Kingdom.

You have stated your ambition to unite the country, and I believe there is an opportunity to achieve that by leading a Government for Net Zero emissions- accelerating the end of the UK's contribution to global warming; cementing our position as a world leader in renewable energy; and rallying the international effort to combat climate change.

As leader of the UK Government you will take charge of the first G7 country to enshrine a commitment to reach net zero greenhouse gas emissions by 2050 and your own backing of the Net Zero target is extremely encouraging.

An ambitious target will require ambitious action from Government and industry, and SSE believes there are three immediate priorities for the Government you lead to focus on to show that it is serious about setting the UK on the right course for Net Zero.

### **1. Lift the cap on the potential for renewable energy**

Renewables will power the UK in a Net Zero future with offshore and onshore wind energy playing a crucial role as we decarbonise large sectors of the economy by switching from fossil fuels to low carbon electricity. The electrification of heat and transport in particular will require a significant increase in renewable energy capacity by 2050.

The foundations have been laid with the Offshore Wind Sector Deal and commitment to regular low carbon contract auctions (CfDs) in the coming years. However, SSE believes that the Government will need to raise its ambition for these CfD auctions to deliver more than the current target of 30 gigawatts (GW) of offshore wind energy capacity by 2030. At least 40GW of offshore by 2030 should be the aim if we are to stay on course for the 2050 target. Increasing the 6GW capacity cap in the 2019 allocation would mark a significant first step towards net zero by delivering more renewable power in a way that is straightforward and cost effective for consumers.

Onshore wind offers an even cheaper low carbon option and the Government should take the opportunity to look at how we can provide a subsidy-free route to market for both new onshore wind energy schemes and the repowering of existing wind farms which are reaching the end of their operational life. Local communities should have a say in these developments, but public opinion has moved a long way in a short time and it makes sense for low cost onshore wind to play a role where it has community support.

We will need some electricity system diversity and flexibility to complement renewables. Ramping up our renewable capacity should form the central pillar of the Government's efforts to meet Net Zero, and they can be supported by 'complementary technologies' such as nuclear and efficient gas-fired power stations with carbon capture and storage (CCS), energy storage and hydrogen all playing a role.

However, these 'complementary technologies' cannot be the centre of any model. Whilst I am supportive that Government is exploring a financing framework for nuclear power and other complementary technologies we must not build at any cost. A renewables-led approach will mean that we don't have to.

## 2. Commit to a strong, long term price for carbon

A strong carbon price, comprised of the EU Emissions Trading Scheme and the UK's Carbon Price Floor, has made a vital contribution to our success in decarbonising our power sector and driving investment away from fossil fuels towards low carbon generation. In the shorter term, we need to retain a robust carbon price during the forthcoming Budget and any Brexit transition.

However, it will continue to play a key role in the long-term effort to reach Net Zero, and a commitment to a strong UK carbon price post 2021, would be an important signal of intent from the Government at a time when we are looking to cement our position as a world leader in the fight against climate change.

As the Total Carbon Price is determined to some extent by our involvement in the EU ETS, a domestic commitment would also help to allay some of the uncertainty on this issue as we continue to negotiate our future relationship with the European Union.

## 3. Back our electricity networks to deliver Net Zero

Our electricity network infrastructure is often the overlooked part of the energy system, but the UK's grid is already playing a crucial role in delivering Net Zero by connecting new low carbon sources of electricity to homes and businesses, and accommodating new low carbon technologies like electric vehicles.

A renewable powered, electrified economy will pose new challenges for the electricity network. But with innovative network trials like our BEIS-backed LEO Project in Oxfordshire, and a regulatory regime that rewards innovation and efficient, timely investment, our networks will not be a barrier to increasing the pace of change in decarbonising heat and transport through electrification, but will be a key enabler.

It is for this reason, that a disruptive and costly nationalisation of the electricity networks would cause a multi year hiatus in our efforts to decarbonise and represent the greatest risk to the UK achieving Net Zero.

Connecting the vast renewable potential on Scotland's remote island groups also presents a major infrastructure investment opportunity to help the UK meet its Net Zero commitments. We would therefore encourage the Government to support the connection of Scotland's island groups and introduce the necessary policies to make this happen.

## Working Together

I hope that this letter is useful in identifying some of the priority areas we will look to engage with various Government departments on in the coming months, as we await the publication of an Energy Policy White Paper later this year. In SSE you have a UK-listed company which is committed to playing a leading role in Net Zero and will support the bold steps necessary to get us there by 2050 in a fair transition which maximises benefits for society.

Kind regards



**Alistair Philips-Davies**  
Chief Executive

