

CONFIDENTIAL



The Association for
Decentralised Energy

Industrial Energy
Demand Side Flexibility
Energy Efficiency
Heat Networks

ADE Vision and strategy for first 100 days of the new Government

July 2024

Caroline Bragg, ADE



Secretary of State

- Have written formally to Ed Miliband to congratulate him, offering our support and industry's expertise in setting up GB energy
- The ADE is one of the listed organisations for the Secretary of State to contact in first few weeks
- Drawing on our wider network to engage with Jonty Leibowitz and Tobias Garnett (Ed's SPADs)
- Are meeting DESNZ civil servants for heat networks, REMA and industrial energy (incl. CHP) to discuss briefings with the new SoS at Deputy Director-level
- Have engaged with Emma Floyd, Director of GB Energy, and are setting up a meeting

New Ministers

- Have written to the new Ministers to congratulate them and introduce the sector
- Have received confirmation that we will be meeting Minister Shanks in the next few weeks and are chasing a meeting with Sarah Jones and Miatta Fahnbulleh
- Sarah Jones has been invited as keynote speaker at the President's reception
- Drawing on our existing relationships with particularly Matthew Pennycook and Darren Jones

Mission Control

- Have provided a quote to DESNZ at their request welcoming Mission Control
- Drawing on our existing relationship with Chris Stark and are talking to him about a meeting in August once he formally starts

New MPs

- Have met Bill Esterson (the likely new ESNZ Committee Chair)
- Are writing to new target MPs and including a programme of site visits from our members
- Drawing on existing relationships; including with Polly Billington, Melanie Onn, Jack Abbott and Luke Murphy
- Ongoing Parliamentary engagement, such as at the PRASEG Reception and have had strong MP interest in President's Reception

The ADE's Missions

DRAFT

DRAFT Empowering Energy Demand

OVERALL

What's our moonshot?

Can we imagine a system where on an overall net basis, the future energy system will pay households, businesses and industrial sites more to participate in the system than they pay into that system to support low carbon generation assets?

How we can support Labour's priorities

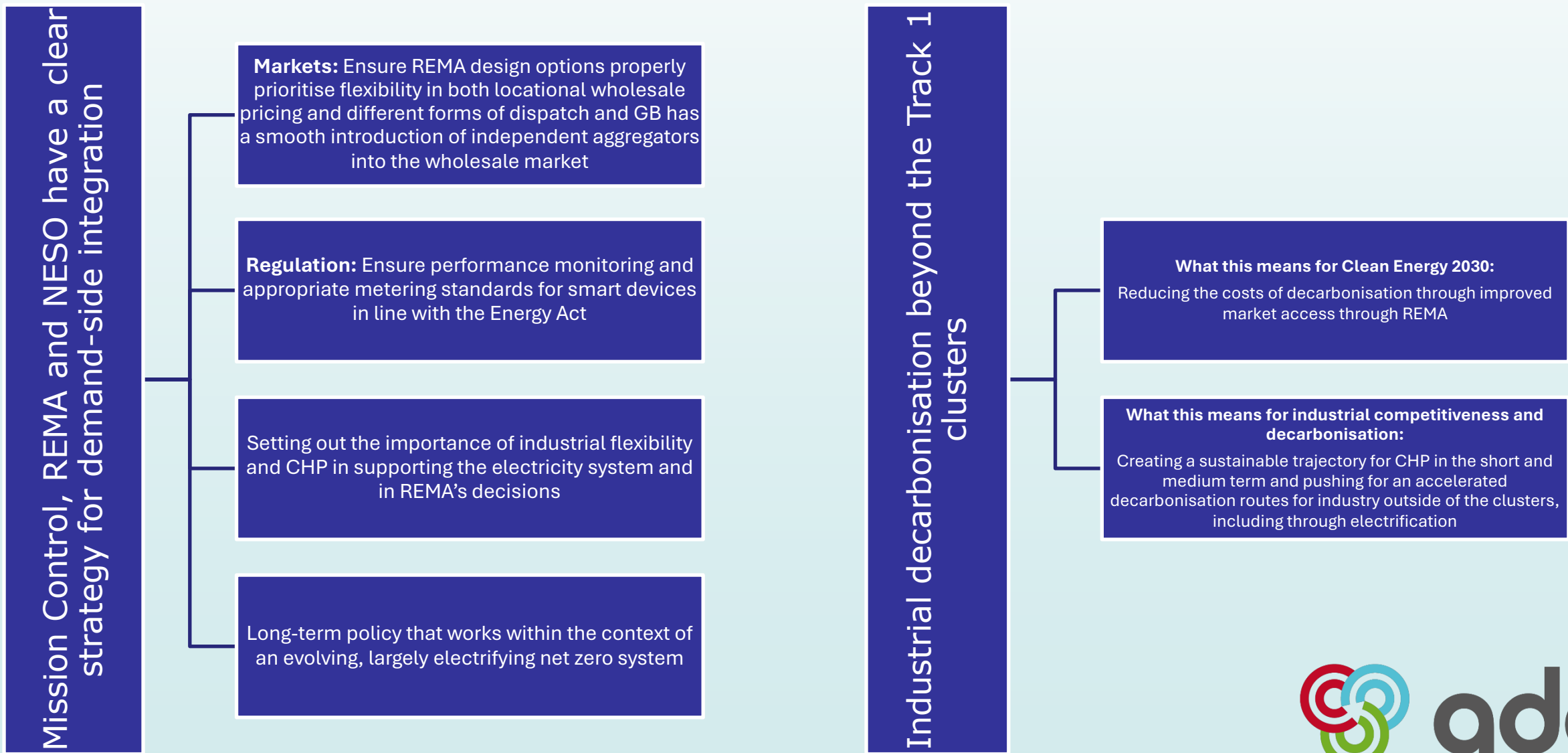
- Clean Energy 2030: Across households, businesses and industry, integrating demand more fully into the electricity system is a cheaper and lower carbon path to Clean Energy 2030 operability
- Industrial strategy: Billions of pounds of investment in industrial decarbonisation investment to support Labour's green Industrial Strategy

What we need from the Government

- To use its upcoming major decisions on Mission Control, the Review of Electricity Market Arrangements and the formation of the NESO to move to a lower cost pathway to Clean Energy 2030
- To set out a bold Industrial Strategy that sets out an investable roadmap beyond the Track 1 clusters
- To use schemes such as GB Energy and the National Wealth Fund to invest in innovative demand-led solutions

DRAFT Empowering Energy Demand

How our existing strategic policy priorities will support this work at the same time as maintaining focus on important, more detailed policy work



DRAFT Decarbonising British Heat

OVERALL

What's our moonshot?

A system where every town and city has a heat network making an offshore wind-sized investment with [at least 75%] of that spent on local content, local jobs and using underused sources of GB heat

How we can support Labour's priorities

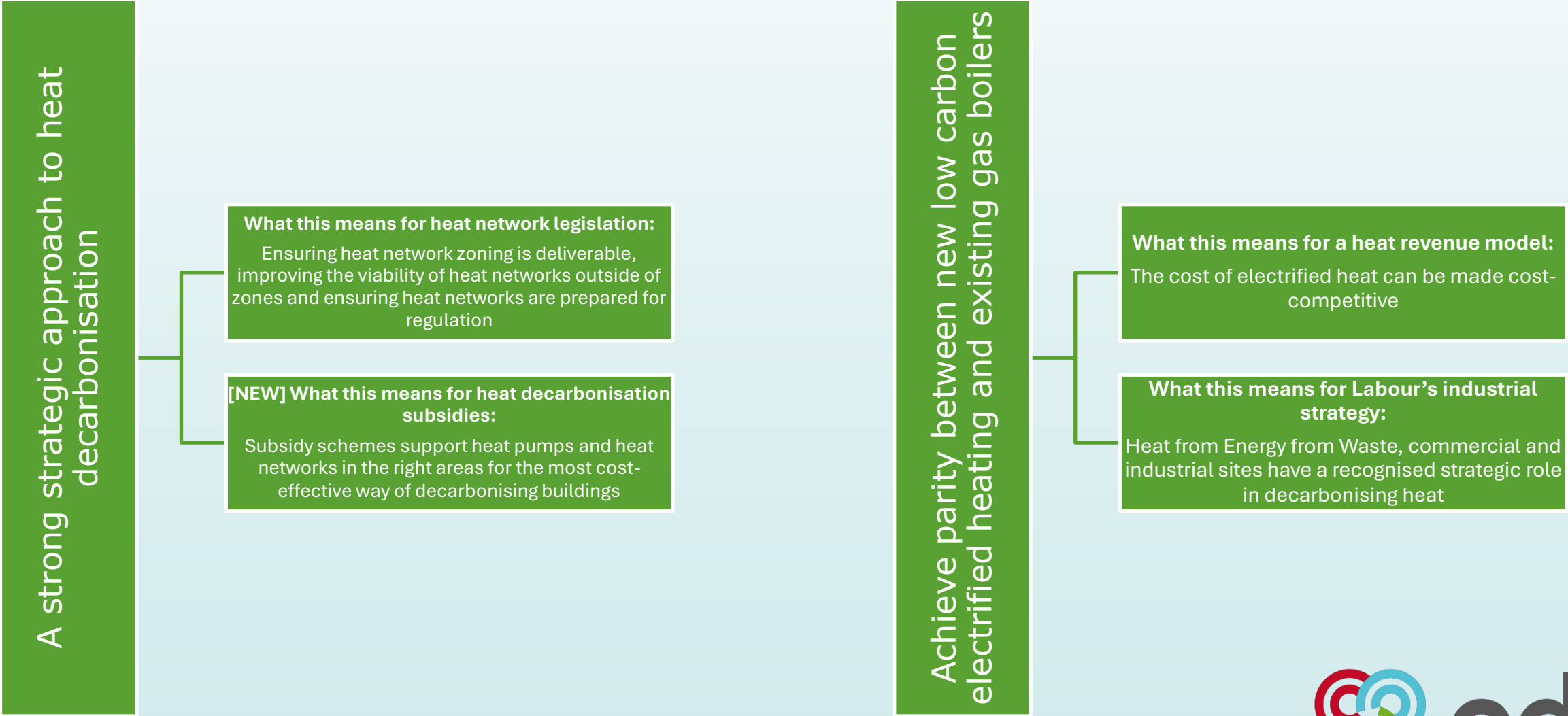
- Economic growth:
 - Leveraging £3 in private investment for every £1 invested: Heat networks are already outperforming this within the GHNF. The sector is investing £2bn in infrastructure and in the next 5 years, the pipeline constitutes a further [£Xbn] of projects ready to invest and with local jobs that cannot be offshored
 - Building 1.5m homes this Parliament: Industry is already demonstrating significant innovations to make inexpensive new housing zero carbon a reality
 - Clean Energy 2030: Through harnessing the flexibility of zero carbon heat, creating a lower cost pathway to electricity decarbonisation by 2030

What we need from the Government

- Achieve parity between new low carbon electrified heating and existing gas boilers through:
 - Confirming the Future Homes and Buildings Standard's tough new standards on zero carbon new homes
 - Early action to re-balance levies
 - A national policy framework for underused sources of GB heat, including from EfW and industrial CHP
 - [TBC: Concessionary finance through GB Energy/National Wealth Fund]
- Deliver a strong strategic pipeline of heat network zones that can attract £bn in private sector investment from 2025
 - Including ensuring that subsidies support heat networks and heat pumps where they are each the best way of decarbonising buildings

DRAFT Decarbonising British Heat

How our existing strategic policy priorities will support this work and ensure we maintain focus on important, more detailed policy work



Approach

What we need from you

We are extremely conscious that many companies are extremely short on resource currently and we need to make sure we're only asking you for things when we really need it.

Support from you and your teams

- ⦿ Nailing our key messages and big asks – Working with us over the next few weeks to get our big messages 100%
 - ADE will be hosting a GB Energy member workshop on the **8th of August**
- ⦿ Building our programme of site visits and case studies – Providing us with information and your time
- ⦿ In responding to your feedback, we will be expanding our Forums and working groups – Providing people for these groups and for work that is a collective priority, helping us to put together this work
- ⦿ Working with us to make a bigger splash at Labour Party conference – Coordinating our messages and supporting our events
- ⦿ To be more impactful at senior-level and with other Depts (incl. HMT) – Supporting our research work to develop stronger headline statistics in key areas and make sure we've got the right evidence

Informal support

- ⦿ We want these Missions to be a step change in the ambition you see from us and we will use the formal and informal channels available to us to do that – Reinforcing these messages and open doors to support us to do this together