

A FOCUS ON...

Business & Industry



SUMMARY

In October 2017, the Government published the Clean Growth Strategy – a broad-reaching document aimed at cutting carbon emissions while keeping costs down for consumers, creating good jobs and growing the economy. The strategy will have a significant impact on UK Business and Industry – requiring action while offering investment, and creating both challenges and opportunities along the way. The overarching aim is to deliver the Government's carbon targets and ensure security of supply at a minimum cost to industry and domestic customers.



It's easy to see why Business and Industry forms such an important part of the carbon reduction puzzle: here in the UK, one quarter of all carbon emissions come from this area, while just under a third of emissions come from heating in buildings and industry.

That's why 6% of the £2.5 billion Government funding for the Clean Growth Strategy will be targeted at Business and Industry; nurturing innovation in low carbon technologies processes and systems that are as affordable as possible.

Keeping up the good work

Between 1990 and 2015, greenhouse gas emissions from Business and Industry in the UK fell by 47% from 231Mt to 123Mt. Whilst this has in part been driven by a shift in economic structure from manufacturing to services, it nonetheless represents a strong trend, which can be built upon through more efficient use of energy and innovation in energy storage. Under the new policies set out by the Clean Growth Strategy, emissions from Business and Industry could be as low as 83Mt by 2030.



A closer look at Energy Intensive Industries

Alongside cross-sector innovation and investment, the Clean Growth Strategy focuses particularly on the challenge of **finding alternatives to industrial fuels** (which are energy intensive to produce) without increasing cost or reducing performance.

The Clean Growth Strategy also raises the issue of the extra attention that will need to be given to our nation's **most energy intensive industries**. These industries are already the focus of the Government's Industrial Decarbonisation and Energy Efficiency Roadmaps to 2050.

The summary document of the Industrial Decarbonisation and Energy Efficiency Action Plans, which are an initiative central to the Clean Growth Strategy, can be viewed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651276/decarbonisation-action-plans-summary.pdf

The industries covered by the summary document are Cement; Ceramics; Chemicals; Food and drink; Glass; Oil and refining; Pulp and paper; Iron and steel

Other key points covered by the strategy are summarised on the next page.



What is being proposed?

The UK Government has identified key policies and proposals to drive Business and Industry emissions down throughout the next decade. Key to this is the development of a package of measures to support businesses to improve their energy productivity, by at least 20% by 2030. Measures include:

- Improving the energy efficiency of new and existing commercial buildings
- Consulting on raising minimum energy efficiency standards (MEES) for rented commercial buildings
- Simplifying the requirements for businesses to measure and report on energy use, to help them identify where they can cut bills
- Establishing an Industrial Energy Efficiency scheme to help large companies install measures to cut their energy use and bills
- Publishing joint industrial decarbonisation and energy efficiency action plans with seven of the most energy intensive industrial sectors
- Demonstrating international leadership in carbon capture usage and storage (CCUS), by collaborating with our global partners and investing up to £100 million in leading-edge CCUS and industrial innovation to drive down costs
- Working in partnership with industry, through a new CCUS Council, to put us on a path to meet our ambition of having the option of deploying CCUS at scale in the UK, and to maximise its industrial opportunity
- Developing a strategic approach to greenhouse gas removal technologies, building on the Government's programme of research and development and addressing the barriers to their long-term deployment
- Phasing out the installation of high carbon forms of fossil fuel heating in new and existing businesses off the gas grid during the 2020s, starting with new build
- Supporting the recycling of heat produced in industrial processes, to reduce business energy bills and benefit local communities



CARBON CAPTURE, STORAGE AND USAGE (CCUS)

The Clean Growth Strategy lays the groundwork for a major decision facing UK Government, which poses one of the biggest future energy challenges: how to work with industry to make CCUS a viable future option. The BEIS Innovation Programme will invest £100 million in industrial decarbonisation and CCUS, a technology which the Committee on Climate Change believes to be vital to meeting the obligations of the Paris Agreement.

In brief – The innovation investment

The Government plans to invest around £162 million of public funds in research and innovation in energy, resource and process efficiency, including up to £20 million to:

- Boost business energy efficiency
- Encourage switching to lower carbon fuels, such as biomass, up to 2030
- Support innovative energy technologies and processes, including CCUS, with £14 million of further investment through the Energy Entrepreneurs Fund



Lowering carbon emissions: the business opportunity

£6 billion could be saved by 2030 through:

- Investing in cost-effective energy efficiency technologies
- Fitting better insulation and smarter energy controls
- Eliminating energy waste by using better lighting and energy management systems

Cutting emissions in Business and Industry can benefit us all through cleaner air and reduced energy bills – in turn improving the UK's productivity. An additional benefit of the innovation and investment required to drive these emissions down is the creation of more jobs and more export opportunities.

Did you know?

Each tonne of steel produced in the UK requires 40% less energy to produce than 40 years ago.

The full Clean Growth Strategy can be viewed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651916/BEIS_The_Clean_Growth_online_12.10.17.pdf

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