HOW CAN THE UK PURSUE RENEWABLE ENERGY WITH RENEWED PURPOSE?

Lead sponsor:

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INDUSTRY GUESTS:

Claire Petricca-Riding, national head of planning and environment, Irwin Mitchell

Florence Carasse, head of infrastructure debt, PIC

Chris Gill, investments director and head of renewables, Taiyo

Octavia Peters, director of strategic growth, SEGRO

Josh Bullard, divisional director, smart energy and sustainability, Hydrock

Peter Henry, director of sustainability, Harworth Group

***Introduction speech:* Stelios Coutsavlis,** real estate partner, Irwin Mitchell

Renewable energy is a key battleground ahead of this year's general election, but the latest government figures suggest UK investment in the sector has lagged significantly behind the rest of the world.

Capacity grew just 7.7% in 2022, well down on the 24.26% growth recorded in 2015, meaning capacity has increased by an average of just 4.45% over the past few years, compared with an average global increase of 9.67%.

What can be done to close the gap and how can the built environment industry help to accelerate the transition to renewables?

A panel of experts joined *BE News* editor-in-chief Liz Hamson and keynote speaker Julia Prescot, deputy chair of the National Infrastructure Commission (NIC), to discuss these and other questions at an event held in front of more than 100 senior industry figures hosted by lead sponsor Irwin Mitchell and supporting partners Taiyo and Hydrock.

Last year, was officially declared the warmest on record and heightened calls for the world to move away from fossil fuels and accelerate the adoption of renewable energy sources. In her keynote speech, Julia Prescot, chair of the NIC, warned there was no longer any scope for delaying this transition.

"We must pursue the transition to renewables with renewed purpose if we're going to meet the sixth carbon budget by 2035, which is only 11 years from now, and if we're going to deliver net zero by 2050," said Prescot.

"We need to value pace over perfection. We don't need to have perfect sentences; perfect full stops. We need to get this done, because otherwise we are running out of time. We need to focus on fewer and bigger actions. We need to take decisions and stick with them."

Prescot said decarbonising the economy was a key priority for the NIC. "Not only are we looking to ensure we're keeping to the obligations government has made, but we also think decarbonisation will bring significant benefits both to households and businesses."

Prescot laid out two key components for the change that needs to happen: energy generation transmission for a fully electric future and overcoming the UK's current reliance on fossil fuels for heating, which is responsible for a large part of fossil fuel use.

Julia Prescot

Key decisions

"We need transmission to be as important as generation in our electrified economy," said Prescot. "We need to not only accelerate deployment of offshore and onshore wind and solar power, but we also need to make decisions about when to wind down unabated gas usage and eventually close the gas grid.

"The bottom line is we will not hit net zero if we continue to pump natural gas. The shift from fossil fuels has been calculated to reduce overall energy demands due to the increased efficiency of electricity as a source compared with hydrocarbons – and that is another factor that we need to think about."

Hydrogen will play a huge role in the future, she added. "We're not saying that the commercial development of hydrogen heating for domestic and business consumers should be banned, but that

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>
> *Julia Prescot*

Stelios Coutsavlis

it would be a commercial, rather than a policy, decision."

For Prescot, the major challenge of this decade is translating policies into practice, moving from "soundbite to shovel" and coming up with business models that churn out projects and can channel new investment to where it is needed.

'Half-hearted' approach

This was a sentiment shared by Irwin Mitchell real estate partner Stelios Coutsavlis in his introduction speech. He stated that the road to net zero had "had a few bumps and potholes and we need to work out what brought that about".

He pointed to the UK government watering down its proposals on achieving net zero by 2050 due to the associated financial costs and said the government's approach had been "half-hearted", highlighting the lack of new offshore wind announcements for the Celtic Sea Floating Offshore Wind Leasing Round 5, which had spooked investors.

Despite the many challenges, Coutsavlis said: "All is not lost." He pointed to the government increasing its administrative strike price for offshore wind for the round-six contracts. In addition, in December it announced plans for 11 new green hydrogen plants, following NIC assessments that recommended new networks, including those for hydrogen

Chris Gill

and carbon capture and storage.

Furthermore, plans were announced in last year's Autumn Statement to overhaul the planning system to speed up the consenting approach for nationally significant infrastructure projects.

In the panel debate that followed, the six industry experts agreed there was no one-size-fits-all approach when it came to renewables. As Chris Gill, investments director and head of renewables at Taiyo (a JV between Kajima Partnerships and Low Carbon Alliance), said: "The UK has been a market leader in renewables generation and investment and now it must become a market leader again for increasing grid capacity. This can only happen if we have a clear government strategy for transitioning to net zero, prioritising tried-and-tested technologies, such as solar and a legislative regime for co-locating Battery storage, plus ⊳

reforming the planning system to help fast-track clean energy generation."

Claire Petricca-Riding, national head of planning and environment at Irwin Mitchell, said that although planning is "a confusing picture, with the application process in each of the three nations completely different, the planning system is able to cope with the transition to net zero, but it needs to be funded to make the necessary improvements..

For SEGRO, grid connection and not planning is the major challenge, according to Octavia Peters, the firm's director of strategic growth.

"We've already gone through the process of getting the planning to have the building there in the first place, but to get a connection from the grid or the district network operator means we're currently getting quoted up to six years and our customers want and need the energy on the roofs sooner. We're finding that really tough," she said.

Grid connection issues were also highlighted by Josh Bullard, divisional director, smart energy and sustainability, at Hydrock. "Is it import constrained, export constrained? In a lot of cases, it's both," he explained. "Various ways need to be examined to deploy energy solutions to benefit from that.

"At the intersection of where we work, an opportunity we see is connecting grid

We're getting quoted up to six years and our customers want and need the energy on the roofs sooner

Octavia Peters


Claire Petricca-Riding


Octavia Peters


Josh Bullard

> ***We need to think more about a smart grid. Innovation will come in on that level as well and help the wider industry***
>
> *Florence Carasse*


Florence Carasse


Peter Henry

assets behind the meter instead of connecting them in front of the meter, which allows us to optimise so we can start to take care of novel solutions, utilising batteries, utilising generation assets."

According to Florence Carasse, head of infrastructure debt at PIC, there needs to be "pragmatism" about the transition to renewable energy and that some fossil fuels will be needed for some time. "We also need to think more about a smart grid. Innovation will come in on that level as well and help the wider industry," she said.

More to be done

Peter Henry, director of sustainability at Harworth Group, said good progress had already been made by the industry on transitioning to renewable energy, but more still needed to be done. "We recognise that it's decentralisation, not recentralisation. We implement the Energy Act properly and we do that not in our silos but together and then we implement the other regulatory changes needed to go with it."

Henry concluded: "Wouldn't it be nice if there were some positive stories [about the renewable energy sector]? We all sat and watched the terrible disaster that was Storm Isha [on 22 January]. Actually, the grid was operating about 70% to 80% renewables. Wouldn't it be lovely if they ended the news with that?" □