



HOUSE OF COMMONS

Energy Security and Net Zero Committee

Oral evidence: [Work of the Department for Energy Security and Net Zero](#), HC 396

Wednesday 15 January 2025

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Members present: Bill Esterson (Chair); Ms Polly Billington; Sir Christopher Chope; Torcuil Crichton; Wera Hobhouse; Josh MacAlister; Anneliese Midgley; Luke Murphy; Mike Reader; Bradley Thomas; Claire Young.

Environmental Audit Committee Member present: Barry Gardiner.

Questions 345 - 406

Witnesses

[I](#): Rt Hon Ed Miliband MP, Secretary of State, Department for Energy Security and Net Zero; and Jeremy Pocklington CB, Permanent Secretary, Department for Energy Security and Net Zero.

Examination of witnesses

Witnesses: Rt Hon Ed Miliband MP and Jeremy Pocklington CB.

Q345 **Chair:** Welcome to today's session of the Energy Security and Net Zero Select Committee. Welcome to the Secretary of State and the Permanent Secretary, who are giving evidence as part of our ongoing inquiries into the work of the Department. Before I ask the Secretary of State to make an opening statement, I welcome our new Member, Mike Reader, who joins us for the first time today, and I thank Julie Minns, who has ended her service on the Committee. We are joined today by Barry Gardiner—you are very welcome—who is guesting from the Environmental Audit Committee.

Ed Miliband, I know you are going to make an opening statement before we get into questioning. Perhaps you will consider this in making the statement. You said in the House of Commons before Christmas that one of the benefits of coming back to the job, having done the previous role some years ago the last time Labour were in office, is that you have been able to learn from the mistakes last time and hopefully apply the lessons. Perhaps you can refer in your opening statement to the lessons you have learned that put you in a better place this time around.

Ed Miliband: Thank you so much, Chair. It is a great pleasure to be before the Committee today, making my first appearance under your chairmanship, and I look forward to working closely with all the Committee members.

I want to start by setting out the thinking behind what we are trying to do as a Department, for your benefit. As you know, we lead the Prime Minister's mission to make Britain a clean energy superpower—one of the Prime Minister's five missions—and that is about two things: achieving clean power by 2030 and accelerating to net zero. It is important to say to the Committee that our work starts from the everyday experience of the British people, who saw energy bills rocket following Russia's invasion of Ukraine.

Every family and business in the country has paid the price for our dependence on fossil fuel markets that are controlled by petrostates and dictators. It is that dependence that led directly to the cost of living crisis, which harmed family finances, business finances and, frankly, the public finances. Indeed we have seen movements in those fossil fuel markets since July, which has led to the rise in the energy price cap.

It is important to say, because this is the core from which much else proceeds, that it is the roller coaster of fossil fuel markets that we are subject to, over which we have no control. There is an answer to this, in our view, which is clean home-grown power that we control. That is the right thing for energy security, for bringing down bills for good, for creating good jobs and for tackling the climate crisis—a crisis that is not some theoretical prospect but we see playing out all around us, including the devastating scenes we are seeing in Los Angeles.



I think in the future people will look back at this time and ask whether we acted with the urgency that the situation demanded. It is very much the urgency of the challenges on energy security and climate, and the opportunities there are in relation to jobs, which have led us to move at speed to deliver in our first six months. Maybe one of the lessons I learned from the last time in office is move quickly and move fast and build things, as we like to say. We have lifted the onshore wind ban, granted consent to nearly 2 GW of solar, set up Great British Energy and our National Wealth Fund, overseen the most successful renewables auction in our country's history, kicked off our warm homes plan, and launched Britain's carbon capture and hydrogen industries, and in December we published our plan to deliver clean power by 2030.

Of course, this is just the start of our work. It is right to say to the Committee that we have a challenging mission, but over the last six months we have sought to show the way that political leadership and a sense of mission can galvanise not just Government but business, and indeed trade unions and civil society, to sometimes do the things that people thought were not possible.

It is also right to say there are people who oppose our mission—siren voices who would defend the status quo despite the disastrous effects it has had on the British people, and who say we would be better off gambling on fossil fuel markets. I believe that would be a betrayal of working people and leave our country exposed. The last six months have made me only more determined that we need to rise to the challenges we face, not shrink from them, because, as a Government, we are determined to fight for working people.

I would just add this finally, Chair. As I reflect, because I am an old stager by now, on addressing these issues around climate and energy over the last 18 years, I think this country has been at its best when it has worked across party lines on these issues—that the gains we have made, because these are long-term issues, have been across parties. I want to work with people across the political parties where we can, and that is very much the spirit in which I approach the Committee's work.

Q346 Chair: Thank you very much, Secretary of State, for your opening statement. What you said at the end there about the need to work across parties was very interesting, because of course this is not just about one Parliament or one party, as you say. What can you do to recreate that consensus?

Ed Miliband: It is probably slightly heroic to think I can recreate it on my own. It takes two to consensus—or lots of people. But there is a serious point here, which is that we passed the Climate Change Act in 2008 with a vast majority in this House, and I think that has served us well and continues to serve us well. There are people from the Conservative party whose work I admire in terms of what they have done, including—I do not know whether he will thank me for saying it—Alok Sharma, now Lord Sharma, for the work he did as chair of COP26, and Theresa May, who I

shared a platform with at the end of last year, after COP29, and who put net zero into law.

I think we have prided ourselves as a country on not making climate and energy a culture war issue. It would serve us well, and if I have some advice for some of our political opponents, it is that it would serve them well too, because I do not think the British people want a culture war on these issues. I think the British people, whatever political party they support, think we should be tackling these issues. We should be doing so in a way that also helps to tackle the cost of living crisis. Whatever background you are from, whatever party you support, you recognise the scale of the long-term challenge and threat we face.

Q347 Chair: You were kind enough to say that you are keen to work with the Committee, and we very much want to work with you. We have been scrutinising your arm's length bodies and the rest of the Department, as you will know. Do you agree that it is beneficial for you and your Department to give as much information to me as Chair and to the officials who support the work of the Committee in a timely fashion, including both oral and written statements in the House? Is that something you are prepared to commit to?

Ed Miliband: Definitely.

Chair: Okay. That was easy.

Ed Miliband: I think the work of your Committee is important and we want to keep you as well informed as we possibly can. You have an important role in scrutinising our work, hopefully as a collective, and supporting our work where you think we are getting it right and, of course, challenging us where you think we are getting it wrong—frankly, helping to advise us.

The Permanent Secretary and I discuss this quite a lot. We are undertaking a massive transformation of our country here. We should not pretend this is easy; this is hard. Had it been easy it would have been done 20, 30 or 40 years ago. There is no monopoly of wisdom: we will not get everything right and we absolutely want to work with you and the members of your Committee.

Chair: Thank you very much for that commitment. I look forward to the rest of the session. We now take questions from my colleagues on the Committee. The first is from Chris Chope.

Q348 Sir Christopher Chope: Secretary of State, in your 2008 Act you put a lot of emphasis on the need for adaptation and for building resilience measures. You have not mentioned that in your opening remarks, and you will know that the Climate Change Committee is extremely critical of the lack of progress on that front. Bearing in mind that the Environment Agency said in December that they were expecting that by 2050 one in four properties in England will be vulnerable to flooding, what are you doing to ensure that the Government invest sufficiently in flood defences?



Ed Miliband: I know from reading the testimony of Emma Pinchbeck to your Committee that this is something you have taken an interest in. I think we should just be frank about the fact that this has for too long been somewhat of an orphan in Government. It is led, as you will know—I think you expressed some concern about this—not by my Department but by DEFRA working with the Cabinet Office.

I can certainly agree with you at a general level that, as we think about the effects of the climate crisis already in the system, this is something that needs much greater focus from Government. We should be frank also that this is something that requires significant levels of investment at a time when the public finances are, as you know, incredibly tight. But this is an important project and it is something the Government need—I am happy to play my part in this—to give proper attention to, because I do not think it has had the attention it deserves in the past.

Q349 **Sir Christopher Chope:** If the Government were to decide that investing in adaptation and resilience measures should take priority over some of the capital programmes in your budget, would you go along with that, on the basis that adaptation and resilience are of much greater significance for the ordinary people—you mentioned working people—than issues around reducing CO₂ emissions? Since 1990, we have reduced our CO₂ emissions by half, but it has not made a ha’penny-worth of difference to the impact of climate change on ordinary people in this country. We have, surely, to put our priority on adaptation and resilience measures.

Ed Miliband: I think you are going to be frustrated with my answer, Sir Christopher. We have to do both. We could give up on measures on tackling greenhouse gas emissions, but I think that would be grossly irresponsible. The way I think about this is that obviously Britain on its own cannot tackle the climate crisis. You are absolutely right to say that. We are 1% of global emissions. But the decisions we make have a massive effect on our ability to influence others to also act.

Let me give you a clear example. When we passed the 2008 Climate Change Act it was emulated around the world. It had an effect not just in Britain but elsewhere. I think there are something like 25 other equivalents of the Climate Change Committee in different countries of the world. If we achieve clean power by 2030, as is the mission of our Government, it will send a message to the rest of the world about what is possible. It is a frustrating answer to you, but I do not think there is any other option. I do not think there is any other responsible option other than doing both of these things.

Q350 **Sir Christopher Chope:** But you are ducking the question about adaptation and resilience. We used to be global leaders in adaptation and resilience, and the Climate Change Committee says we have fallen behind on that. You are not prepared, it seems, to say publicly that you believe that adaptation and building resilience are and should be top priorities. Back in 1953, as you will recall, in the—

Ed Miliband: I was not around in 1953. I am not suggesting you were.



Sir Christopher Chope: In the Netherlands in 1953, some 2,000 people were killed as a result of flooding. We have similar problems now in the United States—masses of people being killed as a result of the consequences of climate change. Are you going to stand there and say that this Government are going to ignore the priorities that have been identified by the Environment Agency and the need to prevent one in four households—it is about 8 million people—being vulnerable to flooding by 2050, whatever happens?

Ed Miliband: Absolutely not, Sir Christopher, and you and I—if my answer was not clear to you—absolutely share a commitment that we need to act, and this Government have a commitment to act on flood defences and all the issues that you mention. There we agree. But if you want to then suggest to me that we should throw under the bus the idea that we should tackle greenhouse gas emissions as the price of that, that is where I am going to part company with you.

Q351 **Sir Christopher Chope:** I am not suggesting that. What I am suggesting is that you should be willing as a member of the Government to insist that greater priority should be given to investment—

Ed Miliband: Absolutely, it should have priority.

Sir Christopher Chope: Greater priority should be given to investment in adaptation and resilience, even if it means having to cut back on some of your own ambitions within your own Department.

Ed Miliband: I do not think that would be a responsible course of action, and I think you are posing a false choice. I think if we say to the British people—just to step outside this Committee for a minute—“Should we tackle the threat that climate change is going to pose to people’s way of life?”, they would say, “Absolutely.” But if we also said to them, “In adapting to that threat we are going to not do anything about the threat growing bigger and bigger, therefore making the need for adaptation more and more expensive,” they would say, “Well, that can’t be right.” That is the whole point here. This is, if you like, the starting point for much of our discussions.

The key insight of Nick Stern in the 2000s, in the Stern report, was that the cost of not acting on climate change is greater than the cost of acting.

Chair: Thank you, Secretary of State. Sir Christopher has given an example of what can go wrong when the questions are too long and we not such long answers. Perhaps we will learn from that.

Ed Miliband: That is a bit harsh, if I may say, to defend a member of your Committee.

Chair: I am very pleased that you would.

Q352 **Josh MacAlister:** Thank you to Ed and Jeremy for coming to the Committee. Also, thank you for your leadership on these issues and the energy you have brought to them. In the first six months you have



shown what Government are capable of doing and we have a clear plan and energy behind it.

I want to ask about planning reform, because it is key to any of the clean energy infrastructure projects that we need to get off the ground, not only for the 2030 mission but also broader energy and net zero goals. On the detailed components of planning reform, whether it be judicial review changes, habitat regulation changes or DCOs—the full shop front of our planning system, which the Government recognise is not fit for purpose—are we moving at the pace that is needed, working back from 2030, to have that new planning regime in place so that the clean energy infrastructure projects can be built in the next six to 24 months, which is what we are going to need? Is the urgency and pace there across Government to make that happen?

Ed Miliband: Absolutely. Thank you for what you said. Planning reform—I am pleased you have asked about it—is absolutely crucial. We are determined to rewire the planning system from end to end, including through the planning and infrastructure Bill that will be coming in the next few months, on which we have been working closely with MHCLG.

Let me briefly try to paint a picture of the changes we are embarked upon in relation to this, because it might crunch down what can be a rather abstract subject for the Committee. First, we need to be clear about the projects we need. If we take, for example, transmission—the building of the grid and substations and so on—we need somewhere between 70 and 80 projects. We are clear about the projects that we need.

Secondly, we need planning inspectors to have clear direction when it comes to making decisions. That is why our energy policy statements—our national policy statements—will have the 2030 clean power mission as a key feature.

Thirdly, we are working with MHCLG to ensure that organisations across the planning system can better prioritise their resources so that 2030 gets the priority it deserves.

Fourthly, as has been raised, we have an endless cycle of judicial review at the moment. I think it was Lord Banner who did a report under the consultation of the previous Government. It is an important report, and we are currently looking at how we act on that.

Fifthly, we want to ensure that communities directly benefit from hosting clean energy infrastructure.

There is much more that I could say about this—for example, on onshore wind, where we have overturned the ban, and we have a new national consenting system for over 100 MW projects—but I hope that paints a picture of the changes we want to see. The whole of the planning system needs change and some of the best works being done on this is by the National Infrastructure Commission, which has looked at how the planning system has become not fit for purpose.



Q353 Ms Polly Billington: That is a very helpful answer in relation to the land use framework, which I think formally sits in DEFRA but obviously will need to integrate or have some relationship with your energy spatial framework. How much are the energy spatial framework, the land use framework and, indeed, the planning reforms considering the role of nature in mitigating climate? Bearing in mind that you have overall responsibility for net zero, how much do you see mitigating climate change as part of your role, as well as managing adaptation, as per what Sir Christopher said?

To put that into context, we have that target of 2030, which in planning terms is just around the corner. How do you anticipate being able to establish a land use framework that has public consent and support about how we agree what land is used for what, in order for us to reach those targets and ensure that we use nature appropriately to mitigate climate change? I am concerned that otherwise it will be like putting in loads of clean energy projects to mitigate climate change when we might have been able to leave some of the land free to mitigate climate change just as well, or maybe even better.

Ed Miliband: Let me deal with the two parts to the question. First, the land use framework is an incredibly important piece of work that my colleague Steve Reed has embarked upon, setting out clearly for the first time the role of farming and agriculture, the role of nature restoration, and the role of, for example, renewable energy. That is a very important framework partly, if I am frank with you, to give reassurance to people and address some of the scare stories—for example, about the use of solar—which are very wide of the mark. On even the most ambitious scenario, solar is going to be a very marginal part of the use of land, and certainly does not imperil our food security. As a framework, what Steve is embarked upon is very important.

I want to come straight to the issue of public consent, because it is important to confront it head-on. The case we are making to people is threefold, and a little bit speaks to my answer to Josh. First, if we do not build this infrastructure, we are deeply vulnerable as a country to a repeat of the cost of living crisis that we have seen. It is incredible how quickly we can forget. I do not think the British people forget, but in a way, Westminster can forget this, and the cost of living crisis still stalks people's lives today. Unless we do this, we remain vulnerable to the fossil fuel market.

Secondly, the biggest threat to the countryside—this speaks to the conversation with Sir Christopher—is the climate crisis. That is the biggest threat. It is not some pylons. It is not solar farms. The biggest threat to the countryside is the climate crisis.

Thirdly, I also think it is important—I want to re-emphasise what I said to Josh—that we do need a bargain with people where we say, “If you host this clean energy infrastructure, you will see benefit to your community.” I think there is a big majority of people who will come with us on this. Of



course people worry about these things and people need to have a say, but I think we can bring people with us.

Jeremy Pocklington: One of the things we are doing as part of Clean Power 2030, but also looking to the future into the 2030s, is increasing the use of spatial planning. The Department is working very closely with the system operator and DEFRA to co-ordinate the strategic spatial energy plan with the land use framework, and also on how we see the marine environment, to make sure that we co-ordinate the different uses of land to achieve these different goals.

Ms Polly Billington: Thank you. I am being urged to move on. I will just make the observation that in the letter to NESO the role of nature in climate mitigation was not mentioned. That is something I would like to see the Departments collaborate on. I am being nudged by the Chair to move on to questions around solar and renewables.

Chair: Before you do, I should say that we will undoubtedly follow up in writing on any number of things, so we can pick this up in more detail.

Ed Miliband: Of course; that is absolutely fine.

Q354 **Ms Polly Billington:** As you will be aware, Solar Energy UK has pressed for a solar target range of up to 60 GW, to drive growth and send positive signals to investors. Why have you set a lower range of 45 GW to 47 GW when this has already been heavily criticised by the industry?

Ed Miliband: I will come to that specific question in a second. It is important to say that what we are doing in this document is quite path-breaking, because we are setting out for the first time the energy mix we need to meet clean power. I do not want to be over-party political in this, but that was not done before. That is so important because unless we do that, how are people, business, industry, others going to plan for what the system looks like?

Once we have those ranges in place—and we are putting them in place—we will then make sure that the grid, which is frankly a massive problem at the moment, as you will know, and the planning system, skills and supply chains are in place to meet the target. That is what I call plan and build, not neglect and delay.

To come to your solar issue, the action plan range is 45 GW to 47 GW of solar. It is important to say that there is some solar outside of that. NESO's work with the distribution network operators suggests a further 9 GW to 10 GW of rooftop solar projects, which could be on top of that, so actually the range that we are talking about is a larger number than the 45 GW to 47 GW headline.

Ms Polly Billington: To clarify, in some ways the 45 GW to 47 GW is a floor rather than a target.

Ed Miliband: Exactly.

Q355 **Ms Polly Billington:** How do you make that a reality?

Ed Miliband: It is worth also saying that even the floor will involve almost trebling the amount of solar power from today. We are talking about a big increase.

In answer to how we make this a reality, this is one of the issues. It is something I get asked about a lot. This is something we are working on with MHCLG, which is making sure that, when it comes to the future homes standard, for example, solar plays an important role. Those discussions are carrying on in Government, and I know there is real enthusiasm for this in MHCLG. We have our solar taskforce, as you will know, Polly, which is working on all of these issues. I am incredibly excited about what we can do in terms of solar, not just ground-mounted solar but also a real rooftop revolution.

Q356 **Ms Polly Billington:** The developers say that your plan is wildly unrealistic in relying on the distribution networks to deliver that 75% of solar capacity. How much have you consulted with industry on this?

Ed Miliband: We are absolutely hand in glove with industry because they are in our solar taskforce. This is something that the previous Government were working on, but I wanted to make sure that we were at the maximal end of ambition when it came to solar. That is the work we embarked upon and, in the coming months, we will publish our solar road map as part of it.

Q357 **Ms Polly Billington:** We will probably want to know a little bit more about why you have decided that the distribution networks would deliver that 75% of solar capacity when the developers think that is unrealistic. We can write further on that, can't we?

Chair: We can and we will. I hear from developers who are being told it will be years before they can turn their solar arrays on because of the distribution networks being unable to take the capacity.

Ed Miliband: There is a broader point here that I want to touch on, which is that, in general, the grid delays we have are enormous. That is because we had a first come, first served system and we have ended up with more than 700 GW of capacity queuing up in the system, and lots of capacity that is not needed for 2030. It is important that the Committee understands this.

We are doing something quite different. We are being much more intentional about this. We are asking what is the mix we need, including by region, to meet this 2030 clean power target, and how do we make it happen? We have moved from a frankly very chaotic first come, first served approach, which was not serving anyone and was producing massive delays—I think the average waiting time in relation to queuing is 70 months, up massively in the last few years, fourfold or fivefold—

Jeremy Pocklington: Fivefold.

Ed Miliband: We have moved to a much more intentional approach. Some people will therefore have to wait their turn. I am afraid that is tough because we have a national interest here.

Q358 Ms Polly Billington: I am interested in that intentional approach, because it is obviously very different from what you have done before. Some people have said that your deployment targets for renewables effectively ban certain technologies from connecting to large parts of the grid. For example, there is a lot of opportunity, developers would say, for solar in Lincolnshire, but they have been told that it is not going to happen there. Are you concerned about losing investor confidence because developers are going to have to write off projects they have been working on?

Ed Miliband: I do not believe that is what is going to happen. I know you had Fintan Slye before the Committee on this. There were some concerns in the solar industry. Reassurance has been provided about grandfathering. We could decide not to reorder the queue—I know you are not suggesting this, but we could just leave this in place and then, frankly, we would not meet the targets we have. Or we can have a grid system that serves the country properly and a queuing system that serves the country properly. That is the decision that we have made. Inevitably, you will get people making the case for their own technologies. That is totally understandable, and obviously the dialogue with all the industries is important.

Q359 Chair: Thank you very much. We will move on to the next set of questions. Last week we had two power plants charging, according to some reports, up to 100 times the market price for gas. Should they be able to do this?

Ed Miliband: Let me go to the bigger picture and then I will come to your question, because if I am frank with you, Chair, I think there has been quite a lot of nonsense talked about last week and quite a lot of scaremongering. I do want to deal with it directly.

First, I want to quote the NESO. They said at no point were electricity supplies less than anticipated demand, so when people are scaremongering about blackouts, for example, they are talking absolute nonsense. The NESO put out a very helpful blog yesterday, which I recommend people read. Secondly, on the issue of gas storage, National Gas said the overall picture across Great Britain's eight main gas storage sites remains healthy.

I do think this goes to my point in opening, which is that we should be working together on these issues. I think there are people who want to try to mislead about events that happen and use them for their own purposes. Frankly, that is completely irresponsible.

On your question about the specific high price that was paid at a particular moment in the system, I do not want to speculate on this. This is something that Ofgem and NESO—Ofgem in particular—as the people running the system will always be looking at. I think I am right in saying that it is not completely unprecedented that in 2022 a higher price was paid for some capacity, but that is not to say that one should be complacent about these issues, and Ofgem will obviously look at them.



Q360 **Chair:** We have Ofgem in next week so we will ask them. What do you think will be a reasonable cost for maintaining dispatchable gas power generation by 2030?

Ed Miliband: Just explain your question, if you would, Chair.

Chair: Under the Clean Power 2030 plan there is going to be 5% dispatchable power; what do you think will be a reasonable price?

Ed Miliband: I think it goes to the overall picture of bills and so on. I have read some of the testimony on this in the evidence to you. The key thing about this is that, as we said in our manifesto, a clean power system—this is the definition of the CCC and others—always has a strategic reserve of gas on the system. The key question is not the overall capacity of that system—30-ish GW—but how often it is used. Having that capacity in the system is important because it is dispatchable power. It is one option for when it is required. There are other options too. That dispatchable power can also be low carbon with CCS—I know you want to come on to CCS in a moment—but the key thing is that having that on the system is the right thing to do.

Q361 **Chair:** Do you think there is a future role for GB Energy to take over the remaining gas power plants to have gas as the strategic reserve that you have set out, as a cheaper option than current arrangements?

Ed Miliband: That is not the way we are thinking about the role of GB Energy at the moment. We have the capacity market to provide the dispatchable power that we need and GB Energy—maybe we will come on to this—has lots of other priorities. For the present time, we think the capacity market with privately owned gas-fired power stations is the right way to go.

Q362 **Chair:** What assessment, if any, have you carried out of the effect on investment in the sector of the delay in publishing the findings of your REMA inquiry and related changes?

Ed Miliband: Overall, what I pick up from the sector—this is not meant to sound complacent or self-congratulatory—is that they want a sense of direction and we are giving them a sense of direction. Going back to the conversation we had earlier, setting out the ranges of different technologies that we want builds confidence. Consenting the solar projects, which I did through the DCOs in my first week or so in office, was confidence-building, and lifting the onshore wind ban was confidence-building.

The truth about REMA—that could be a whole hour and a half or day and a half in itself—is that these are very complex issues and we want to get them right. You will know that at the time of the clean power action plan we issued a narrowing of the choices, if you like, when it came to zonal pricing or national pricing and what those two scenarios would look like. This is the consideration we are going to be giving during the course of the year, but I think we can absolutely inspire the confidence of investors and make a timely but not hasty decision when it comes to these very



complex long-term issues of market reform that it is important we get right.

Q363 Claire Young: Turning now to long-duration electricity storage and batteries. Do you think the new cap-and-floor mechanism on its own is going to be enough to deliver the long-duration electricity storage we need by 2030? Could your Department be doing more to facilitate co-location of battery energy storage systems alongside generation?

Ed Miliband: The first thing to say is that long-duration storage has an important role to play in our mission. It enables the electricity system to store wind and solar power when it is plentiful and when it is most needed. It is also important to say that no long-duration storage capacity has been built in a number of decades.

The cap-and-floor mechanism that we gave the green light to in October was important. We are currently finalising the design of that, which we will do in the first quarter. We are working with Ofgem in the first quarter of 2025 and we are going to be opening the scheme to a first round of applications in the second quarter of this year.

The clean power action plan has an important role for long-duration storage and we are confident that this cap-and-floor mechanism represents a real step forward. We obviously have to see how it goes but we think it is important.

Jeremy Pocklington: It is worth saying that we have consulted extensively with investors, alongside Ofgem, on the design of the scheme. Obviously, they will always want more—that is the nature of things—but we also have to protect the interests of consumers and bring forward the investment that we need. The cap-and-floor mechanism is of course well understood in the energy sector as well. It is applied elsewhere—for example, in interconnection—so it is already well understood. Obviously it needs to be adapted for long-duration energy storage.

The model we are finalising with Ofgem comes from that extensive dialogue, which means we are confident that we are heading in the right direction. But obviously we have further work to do.

Q364 Claire Young: On the point around the co-location of battery energy storage systems alongside generation, what you can do to facilitate that?

Ed Miliband: Why don't we write to you with a more detailed answer on that issue?

Q365 Claire Young: Okay. Finally on battery storage, you have talked about discussions with the industry and so on; what impact do you think the support for battery storage systems will have on the cost of the mission to have clean power by the end of 2030?

Ed Miliband: It is interesting that you ask this question. We have a tendency to think that the future is going to look like the past. I think that batteries, long-duration storage and consumer-led flexibility will play



a much bigger role in the energy system than maybe some people anticipate. There is real potential in these areas.

Often it is going to be grid-scale batteries, but sometimes it will be about the role of batteries in the home as well. If you think about some of the challenges we face in system terms, the role of these technologies—I always say that we need all these technologies at our disposal—is really important.

Q366 Claire Young: So there will potentially be positives for the cost of energy for consumers but also potentially costs in delivering it?

Ed Miliband: I know you had Fintan Slye before you. I think the NESO report reached an important conclusion, which is that even though there are significant costs to building a clean power system—and this is the central insight of our work—the cheaper wholesale costs you get from a clean power system mean there is scope for lower bills.

This is the fundamental thing here, because why is it that we say a clean power system is the way to bring down bills for good? It is because we know that the wholesale costs of running a very renewables-heavy system are going to be cheaper than running a system based on fossil fuels. You have more control and it is a cheaper system. Obviously there are the costs of building the system, but this is the way to bring down bills for good, and batteries are definitely a part of it.

Q367 Torcuil Crichton: Thank you for coming in, Secretary of State and Permanent Secretary, and for your bold opening statement and outlining the urgency of the mission, which I will maybe return to if time allows.

You talked about siren voices in your opening statement. I wonder whether these siren voices include the Aberdeen chamber of commerce—for which read the North sea oil industry—which wants to lift the presumption against oil and gas development, and whether the siren voices also include Donald Trump, who asked you to open up the North sea and get rid of windmills. What do you say to Donald Trump, Secretary of State?

Ed Miliband: Let me deal with that directly. The British people choose the Government here and the American people choose the American President. It is important for our country, whoever the President is, to work with them and find common ground. No doubt there will be areas of disagreement with the incoming President Trump. He will pursue his national interest; we will pursue our national interest. But it is an important responsibility of me and whoever the Energy Secretary is in the new incoming US Administration to find common ground.

Torcuil Crichton: Plus the industry.

Ed Miliband: I will just say, on the Aberdeen chamber of commerce, that I do not include them in this. It is important for us to work with our North sea communities, including the Aberdeen chamber of commerce, OEUK and others. We may have slightly divergent perspectives on certain issues but we share a lot of common ground as well.



There is common ground on the fact that North sea oil and gas will continue to play an important role in the decades ahead. There is important common ground in that we must build the future for the North sea, and the future is going to be in carbon capture and storage, offshore wind, hydrogen—the industries of the future. The truth is that the North sea workforce has gone down by one third in around the last decade. The reality is that unless we build those future industries, including carbon capture and storage—I know the Committee has some strong views on CCS—we are not going to have the right future for those communities.

A trade unionist put it very well to me around our North sea communities. He said to me, “You should be saying”—and so I am saying it—“that these are the communities that will decarbonise our country in the future. These are the communities and the workers who will decarbonise Britain.” I absolutely, 100% believe that.

Q368 Torcuil Crichton: I am glad you mentioned the workforce, because the rhetoric is good, and the jargon is good—just transition, clean energy, offshore skills passport—but how is this going to be done practically? What does a just transition mean for people who work and take helicopters into the North sea for three weeks at a time just now?

Ed Miliband: This is the right question, and this is something that we are determined to work on with industry, trade unions and workers. We will be consulting soon on our licensing policy, but it is going to be much more than that. It is going to be about how we build this future. You mentioned the skills passport, which has been stuck for years in treacle, frankly. Hopefully later this month we will move forward with a prototype of what the skills passport looks like.

If you look at the Robert Gordon University research, there is massive scope for us to have positive job prospects—an increase in jobs for our offshore communities—given the future I have talked about, but it requires the right institutions to make it happen: GB Energy headquartered in Aberdeen, the National Wealth Fund, a clean industries bonus to say, “If you invest in UK manufacturing, you will get support.” Having all those things together—the right institutions, the right form of dialogue—is the way to shape a good future for our North sea communities.

Q369 Torcuil Crichton: Let us talk briefly about that sense of urgency. You mentioned trade unions. I declare my interest as a member of the GMB. Trade unions warn that your 2030 targets mean you will be buying all the supply chains and manufacturing stuff off the shelf from other countries rather than building up the manufacturing base here.

Communities might also be left behind in your rush to 2030. I am intrigued by what you said about the planning and infrastructure Bill and how you have to make a bargain with people—there has to be community benefit. I would rather see a community share. In Denmark and Germany, 20% of each wind farm is owned by the local municipality or community. Will your planning Bill include a 20% offer to municipalities or communities? If not, why not?



Ed Miliband: I cannot guarantee you of that, but I have read your questions about this community share issue, which is interesting. Our GB Energy local power plan is absolutely about that idea. If you talk to RWE, for example, they say, "As a matter of course in other countries such as Germany, we might be building significant onshore wind but some of it will be owned by the community." I think absolutely that community share and looking at the issue of community ownership will be part of our GB Energy local power plan. We should be open to all of these issues. Part of what we want to do is show, in practice, that this change—this clean energy transition that we are embarked upon—can have direct benefits for people. It is an idea we should pursue.

Q370 **Torcuil Crichton:** What about this worry about supply chain jobs and manufacturing jobs going abroad rather than coming here?

Ed Miliband: I think the reality is that the concentration in supply chains has been built up over a long period. I am afraid it is because the last Government did not take the view that we needed to build in Britain, at least not sufficiently. I have a different view, which is that it really matters that we build our own supply chains. It really, really matters. This is a massive jobs opportunity and, as the Prime Minister says, "Why not us?" That is why we are putting these new institutions in place. But if people say to me, "While you are putting in place these new institutions to build supply chains in the UK, why don't you down tools"—I know you are not saying this—"and wait until the supply chains in Britain are built and then get on with your thing?", I think that would be grossly irresponsible, for the reasons I have set out. We would leave ourselves exposed to the biggest energy security challenge we face, which is from the fossil fuel markets that we, as a Government, have no control over.

Q371 **Chair:** It has been put to me that there is a potential, and a real concern, that an early withdrawal from the North sea will impact the total receipts from the energy profits levy and the other oil and gas-related taxes. What is your response to that concern?

Ed Miliband: I said to Torcuil that our dialogue with Aberdeen chamber of commerce, OEUK and others is important, and it is partly that dialogue—obviously I do not determine tax policy, and I should be very careful not to suggest that I do—that led to some changes to capital allowances that the Chancellor announced in the Budget. That followed that dialogue.

Our manifesto was clear about this. We will keep existing oil and gas fields open for their lifetime—decades to come—but we will not issue new licences to explore new fields. The truth is that new licences to explore new fields are a relatively marginal part of the future prospects for the North sea. We are led by the science in saying that. It is important to say that we can both achieve the just transition that we seek and maintain confidence and, indeed, tax receipts from the North sea, and at the same time build the future in the way that I have talked about. That is what we are determined to do.

Q372 **Wera Hobhouse:** Welcome and thank you for coming, Secretary of State



and Permanent Secretary. Can I commit to you, before I start, the real commitment of the Liberal Democrats to work cross-party on the challenges that you set out at the beginning?

Having said that, I have a few questions about CCUS. Given the large subsidies offered in the US for the technologies, why is it necessary for money to be allocated for CCUS from the UK public, rather than it being spent on other goals, or even simply returned to the Exchequer?

Ed Miliband: I said the Committee has taken a keen interest in this. Can I say that I very much enjoyed working with you in the last Parliament when you were the Liberal Democrat spokesperson? It is good to work together again.

It is important to take this head-on. All the experts tell us that without CCUS we are simply not going to achieve net zero as a country or as a world. The Climate Change Committee has said it is a necessity to, not an option for, achieving net zero. The IEA has said that reaching net zero will be virtually impossible without CCUS, pointing to heavy industries that “account for almost 20% of global CO₂ emissions today.” The first point I make to you is that I understand some of the concerns of the Committee, and maybe we will get into this, but the science and the advice that we have is very clear about the role of CCUS.

The NESO report is interesting on this. It said that relatively small amounts of dispatchable power—dispatchable gas with CCUS or hydrogen to power—can make a huge difference in obviating the need to build lots more renewables. If you think about the two pathways, which you will be familiar with, CCUS can play an important in delivering at least cost.

Thirdly—sorry for the long answer—going back to the conversation with Torcuil and with the Chair, if you think about building this just future, think about the North sea. The North sea has massive potential. We can be the world leader when it comes to this technology because we have a heaven-sent opportunity to do this. I think it would therefore be irresponsible for us not to take advantage of this opportunity.

On the costs, it is important to say, because this headline figure of £21 billion has been quoted—actually by us—that this is over 25 years. Let us get this in some proper context. This is £21 billion over 25 years, three quarters of it private investment and about a quarter of it Government investment. Set that against what is in our plan, which is something like £40 billion a year in mainly private investment in reaching 2030. I understand some of the issues but I want to set that context for you.

Q373 **Wera Hobhouse:** But isn't the argument very much that the industries who are the polluters should pay for that, rather than the public? The polluters pay through industry levies or other measures but they have a target to get to net zero too. Why is it not the responsibility of the industry rather than the public?

Ed Miliband: It depends how you look at this. In some sense, the oil and gas industry is paying for some of this through taxation. If you think about the windfall tax that we have put in place, some of this is coming



through taxation. It is also the case, honestly, that with any first-of-a-kind technology—any new technology—if you are going to make it happen, there needs to be a partnership between public and private sector.

Think about offshore wind, for example—and, indeed, onshore wind and solar. When I was doing this job last time, we were subsidising it. Lots of people said, “Why are you subsidising this technology?” It was precisely this combination of public and private together that brought down the costs over time. The Permanent Secretary had two hours on this at the PAC—I know the Chair was there—and he really enjoyed it.

Jeremy Pocklington: Over the longer term, it should be possible to move away from the approach that we have adopted for these initial two clusters. However, there is no way we could have attracted the investment that we needed without the form of the public-private partnership that we have introduced. I re-emphasise again that the £21.7 billion is over the full lifetime of these projects, so it is over 25 years. Only a tiny fraction of the taxpayer funding—I think it is approximately 2%, as we discussed at the previous Committee—is being spent before the projects are being delivered. We have had extensive negotiations to maximise the risk transfer, do that in an appropriate way, but also protect the consumer and taxpayer.

Ed Miliband: Also, you could say to the cement industry, “Well there is no future for you in a decarbonised world,” but I do not think we should say that. We should say, “There is going to be a future for you in a decarbonised world.” How is the cement industry—to give one example among many that I could give—going to decarbonise without the proper use of CCS? This is partly about our determination to make sure that as we decarbonise it is a route to reindustrialising, not deindustrialising.

Q374 **Chair:** As you mentioned cement, do you distinguish between hard-to-abate industries, of which cement is one, and the longer-term production of hydrogen? Barry Gardiner will come on to related questions about biomass in a moment.

Ed Miliband: I think both have a role. Take Net Zero Teesside and the project there. We are confident that it will play a role in helping us to deliver 2030 clean power in a decarbonised way. We could be saying, “Let’s just have unabated gas,” but that would not be fulfilling our climate commitments. It is the right thing to do. I think both have a role.

Some people say, “Aren’t you displacing renewables?”; I am the last person to be accused of displacing renewables. We have absolutely maximal ambitions when it comes to solar, offshore wind, onshore wind and so on. But as I always say on these occasions—and this is a debate we used to have about nuclear—you need all these technologies. The scale of the challenge that we are facing is massive. The scale of the electricity demand that we are facing is massive, potentially more than doubling electricity demand by 2050. If we are going to meet the scale of these challenges, we need to have all these technologies at our disposal.



Q375 **Wera Hobhouse:** Indeed. It then always comes down to what is the most cost-effective. When you made the announcement, I think I asked you about difficult-to-decarbonise industries, but also waste, and whether there should not at least be a prioritisation towards those projects that are very difficult to decarbonise, or attaching them to energy from waste plants, which are increasing across the country, rather than allowing the oil and gas industry to continue business as usual?

Ed Miliband: I am also an unusual person to be accused of allowing the oil and gas industry to continue business as usual. That is something that has never been said to me before.

Wera Hobhouse: I put that into—

Ed Miliband: Into scare quotes, as they say. Do you want to add anything, Jeremy?

Jeremy Pocklington: We have had a very extensive process in order to select both the clusters and the projects that we are pursuing, which properly takes into account the strategic case for carbon capture. We think there is a strategic case in all the sectors that we have agreed business models for, including waste. Of course, one of the lead projects is an energy-from-waste project, the Protos project, that we have provided funding for in the HyNet cluster.

We think carbon capture can play a particularly useful role in the power sector. Small amounts add significant benefits to producing the least-cost system. That is what NESO's advice told us. If we want to reduce whole-system costs—the overall capital and operating costs of the power sector—it will be cheaper if you have power CCUS, and also potentially hydrogen to power in the future as well.

The Chair raised cement, which will have a particular role in the hard-to-abate sector, where there are very high process emissions from chemical reactions. At the moment there is not a credible alternative to abating these sectors other than carbon capture.

Wera Hobhouse: I did put that into speech marks, Secretary of State.

Chair: We are going to move on. Thank you very much.

Q376 **Barry Gardiner:** Secretary of State, you said in your opening remarks that you felt like an old stager; I guess that makes me an ancient stager.

Ed Miliband: Not at all, Barry.

Barry Gardiner: With age I have learned that you take your opportunities when they present themselves. I want to take the opportunity to thank you for your amazing championing of climate action over the past 20 years. You probably feel a "but" coming.

Ed Miliband: Always, Barry, always.

Barry Gardiner: There isn't one. I want to ask you, though, to outline for us the process that needs to be gone through before your Department can take a decision about future subsidy to Drax Power Ltd.

Ed Miliband: Let me deal with the general and then come to the specific. On the general, thank you for your kind words, and right back at you, as they say, because your championing of this agenda—your leadership on this agenda—has been incredibly important over the years and has huge respect not just domestically but internationally.

On the question about Drax, you will know that the last Government issued a consultation on these issues. I am going to be circumspect about this. We are a Government that is six months in and we are considering all of the issues. There are issues about the composition of our power mix going forward. There are issues about the potential role of power BECCS in the system. There are issues of sustainability about which people have expressed concern and which need to be addressed. There are issues about the scale of public subsidy that there has been to Drax, which also need to be looked at. There is a suite of issues and my reassurance—if it is reassurance to you—is that we are assessing all these issues as we consider these decisions.

Q377 **Barry Gardiner:** Thank you for that. Let me try to get us down to more specifics. You have mentioned sustainability. Earlier today, I sent through to you at your Department copies of three letters that I sent. One was to the Financial Conduct Authority asking them to investigate whether KPMG had complied with their reporting and disclosure requirements; the second was to KPMG, asking them to publish the audit reports into Drax; and the third was to Jonathan Brearley at Ofgem, asking him to reopen the inquiry that you mentioned Ofgem had conducted.

It seems to me that the Department needs to satisfy the public that the company is meeting the proper standards of sustainability, and that your Department's monitoring and assurance systems are now adequate—you will remember that the NAO said previously they were not—to ensure the sustainability standards. You need to assure the public that there will be enough biomass globally to supply the UK, without our being reliant on sources such as North Korea, Afghanistan, Bhutan and the Maldives, which is what your own Department's report said in August of last year, suggesting that would have to be the case to ensure supply.

I think the public is concerned about the remarks that Lord Birt made in the House of Lords, where he said he had seen deeply troubling evidence from whistleblowers at Drax of dishonesty and cover-ups as a company. We need to get to the bottom of why somebody like Lord Birt believed that to be the case.

Many people believe that the Ofgem inquiry, which reportedly did not have access to the damning audit report of KPMG, although it did receive 49 whistleblower reports, should be reopened. Of course, we need to be assured that KPMG had complied with its statutory duties on disclosure under the Financial Reporting Council ISA rules that are relevant to the regulator's inquiry.

Earlier today, E3G published a new report with Baringa. We need to know that the enormous subsidy required by BECCS is justified, because that report shows that there are alternative, more cost-effective sources of

generation that do not require the import from around the world of fuels that are of questionable sustainability.

Chair: We need a question and answer here.

Barry Gardiner: Indeed. E3G have said that Drax biomass is not needed to reach clean power by 2030.

Ed Miliband: There is quite a lot in there, Barry.

Barry Gardiner: I wanted to get it on the record because I wanted to be sure that you would respond to all of it—perhaps to some of it in writing.

Ed Miliband: I think you have made the points that you wanted to get across. I am totally respectful of that and you have put them on the record. Obviously we will look at the letters and the information you provide.

Chair: Thank you very much; that seems like a sensible answer, Secretary of State.

Q378 **Josh MacAlister:** I have a few questions about nuclear, which have we spent lots of time talking about, Ed, so it is good to get into it here. The first question is quite a specific one to do with arm's length body appointments, and it is probably more for Jeremy than for the Secretary of State. This has come up in quite a lot of the evidence we have collected since the Committee started its work, including through the NAO report into the work at Sellafield. They identified one issue being the very long lead-in time to appoint the permanent chief executive at Sellafield—I think it took 15 months—and then we had evidence from the chair of GBN, and both the chair and the chief executive of GBN are still interim, about two years in. The Committee is concerned about that and would like to see certainty for those organisations through permanent appointments; is that being tackled?

Jeremy Pocklington: It is something the Department takes very seriously. It can often be the right thing to do to make a temporary appointment. For example, when we were establishing GBN it was exactly the right thing to do, as it was the right thing to do when we established Great British Energy. But obviously, over time, it is important to move to a substantive appointment.

It is probably best to comment on GBN, which is the issue you have raised. Obviously, Simon Bowen is an excellent candidate to be an excellent chair of GBN. The Department made the decision that we should conclude the technology selection process that is currently under way, which I suspect we will come on to, before we made a permanent appointment. We wanted continuity through this phase and we intend to launch a substantive process this summer.

Q379 **Josh MacAlister:** On the Government's announcement earlier this week about AI growth zones, Secretary of State, there is potentially a big link there to the use of nuclear power in the future. The industry is waiting for two important things that were long delayed under the previous

Government: one is the publication of an alternative routes to market strategy, and the second is EN-7 and the planning framework that would allow that. I do not think they are spending review-linked announcements and am keen for them to be published as soon as possible to give confidence and certainty to investors.

Ed Miliband: Let me say something by way of opening on nuclear, and then come to your questions. I want to put on record that we see nuclear as an important part of the electricity mix going forward. When I was Secretary of State last time, I wanted to drive forward nuclear. We published a list of sites. I think it is important, and it goes back to my point earlier about the scale of electricity demand that we are going to face. That is the first thing I wanted to say.

Secondly, obviously part of this for us is about driving forward Sizewell and SMRs—the most immediate things, if you like, on our plate. I want to reassure you that both of those are very much on our radar. On EN-7, I am hoping you will not have too long to wait. On alternative routes to market, again we want to drive it forward as quickly as possible.

I said in my speech to the Nuclear Industry Association that my door is always open on these issues. It does go to the issues of AI that you have raised and the work I am going to be doing with Peter Kyle. But our door is open. We want to drive this forward and we recognise the role that nuclear can play.

Q380 **Josh MacAlister:** Earlier in this session we talked about the goals that are in place for solar and wind. The last Government had a goal—I would not say much of a plan, but a goal—around 24 GW of nuclear by 2050, and the current US Administration has a 200 GW nuclear goal for 2050. Using the same logic that we have for clear goals to give confidence to the market and supply chain, is the Government committed to a 24 GW goal? Is it too low? When will the Government make clear its intention on the nuclear mix by 2050?

Ed Miliband: We share the spirit of ambition behind that goal. I want to put that on the record. If I can be diplomatic about this, it is perhaps easier for Governments to say, “Here is our number for 2050,” without really having a plan to get there. That is what slightly concerns me about some of what the last Government said. I think Boris Johnson at one point—I know he promised lots of things—promised a nuclear power station every year, or maybe it was every month or something.

That takes me to my next point, which is that the order of business for us—where my focus is—is to drive forward Hinckley, which we obviously need up and running, and then Sizewell and SMRs. We have the strategic spatial energy plan coming out in 2026 as well. You are absolutely right that, beyond the 2030 clean power targets, we need to set out wider ambitions, and we will definitely do that.

As I say, I am completely with the ambition on nuclear. I think it has to be properly grounded, properly evidence-based, and there needs to be a proper plan. If there is one thing I learned—going back to the question



the Chair asked me at the beginning—it is that targets without plans undermine the confidence of investors. That is where we want to get to.

- Q381 **Luke Murphy:** Apologies to the Chair, the Secretary of State and the Permanent Secretary for being late to the session. I was in the Chamber for a statement on the NHS.

I want to ask about public opinion and cross-party consensus. One of the things people have always said about the UK in the past is that we have benefited from a cross-party consensus on climate. I wonder whether you are concerned that that consensus is breaking down and about the impact that could have on public support for climate action.

Ed Miliband: Yes, frankly, I am. I said at the opening—no problem about you not being here for it—that I am old enough to remember when David Cameron was the Conservative party leader in opposition. His slogan was—I remarked on this to him when I saw him a few months ago—“Vote blue, go green”. I think that healthy competition on climate was a good thing from the point of view of the country.

I also said when you were not here that there have been Conservatives since David Cameron—Alok Sharma, Theresa May, Chris Skidmore when he was a Conservative, and Martin Callanan, who was a champion of these issues as an Energy Minister—who championed this agenda. Lord Deben—I sometimes say this to him—was not exactly a loved figure in our household when I was growing up in the 1980s. As a precocious child, I was not a great fan of his, but he played an incredibly important role as the chair of the CCC.

As much as possible we should be reaching across the aisle, as our US friends would say, on these issues, but there has to be a spirit of endeavour—of ambition. If there is a spirit of backsliding, it is quite hard to maintain the consensus.

- Q382 **Luke Murphy:** Do you think the Government are doing enough to take the public with us? What are the plans for a public engagement strategy? Also, it is said that there is a lot of evidence that people want to see the green choice be the easy choice, with incentives rather than sticks. Do you think the Government are doing enough to enable people of all incomes, backgrounds and areas to choose to go green—to buy an EV or a heat pump?

Ed Miliband: As I said at the outset, an important thing to underline and talk about is that I think there is broad consensus for this and support for the clean energy transition, partly because people recognise the scale of the threat, but also because people recognise the reality of our exposure to fossil fuels. That is what all the polling says.

We have to make this work financially for people—that is the absolute precondition of taking people with us. Think about heat pumps. Heat pump take-up is up, but there is a lot further to go with the £7,500 grant. But it only works if we can say to people, “You can replace your boiler with a heat pump and it will not cost you more.” If we are saying to



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people, "We will come along and charge you thousands of pounds extra," we will not take people with us in the transition. That is my strong view.

That is why a warm homes plan is important. That is the role of Government. The role of Government and of public expenditure is what distributes the benefits and burdens in a way that works for ordinary people. It is true on the consumer side and it is true when it comes to workers. Those are the fundamentals. Of course it is hard, of course it is exacting to do this, but I think it is absolutely essential, to answer your question.

- Q383 **Luke Murphy:** On language, do you think net zero is a helpful term and that we should continue to use it? It has become quite politicised; should we be talking more about future generations and protecting the environment? How should we talk and communicate about climate change?

Ed Miliband: There are different ways of talking about it. Net zero is quite a nerdy term but, as you know, that is my Department's job: to be nerdy. But there are different ways of talking about this. There is a strange thing about this, which is that I think Westminster sometimes underestimates the extent to which the public gets this.

To make a political point for a second, this is why I think that when parts of the Conservative party—to put it diplomatically—bark up the culture-war tree, I think they are barking up the wrong tree. It did not work for them at the general election. It is not where the British public is. The British public do not want a culture war on climate; they want us to do sensible things and they want to do it in a way that financially works for them. That is what we will do. You can debate the terminology; I think the terminology is less important than the substance.

- Q384 **Luke Murphy:** On targets and the nationally determined contribution that the Government set out, the CCC has said that the UK is off track to meet the NDC to reduce emissions by 68% by 2030. We now have a more ambitious one, which is 81% by 2035. Is there a danger of trying to go too quickly? How will we meet that more ambitious target while also taking the public with us?

Ed Miliband: The important thing to understand about this—and this is the narrative that I use about the first and second limb of our mission—is that this is right for future generations but it is also right for current generations. Think about the issue of transport: people are exposed to what will happen to oil prices and we have no control over them. Think about the issue of home heating: we are exposed to what happens to gas prices and we do not have that level of control. If you think about industry, it goes back to the conversation about cement: the competitive future for industry is in decarbonising. There is no status quo option when it comes to jobs. That is the point.

The reason why I say all that is because this is the jobs and growth story of the 21st century. Growth is the No. 1 mission of the Government. One fifth of China's growth in 2023 came from clean energy. This is the

growth story, this is the energy security story, and this is the climate story. All those things go together

The targets legislated by the last Government—the 2030 NDC and the sixth carbon budget, which we then translated into the nationally determined contribution—are hard targets. When we came to office, we were told that only one third of the targets for 2030 had credible plans associated with them. You might say, “Well, why don’t you just back off?” But I think backing off would send a terrible message, not just on climate but to investors. I am not going to back off, but it is definitely hard, and that is the work we are embarked upon.

Q385 Bradley Thomas: Thank you, Secretary of State, for coming. Late last year the NESO report assessing the system costs of delivering the Clean Power 2030 plan assumed a carbon price of £147 per tonne of CO₂. That is the highest in the developing world, and I understand it is £60 per tonne higher than the assumption your Department is working to. Given your reliance on the independence of NESO in the recent past, which assumption is your Department working to?

Ed Miliband: I can write to you on the specifics around the carbon price. The important thing about the NESO report is what it shows about the potential for lower bills. I know you had Fintan before your Committee, but I can write to you about the carbon price.

Q386 Bradley Thomas: Assuming that that carbon price is accurate, and that it bears out in reality, what is your assessment—given that businesses are hurting, and given that in your opening words at the start of this session you said businesses pay the price if we get energy policy wrong—of the extent to which that carbon price would hit businesses, jobs and investment?

Ed Miliband: I will not endorse these assumptions in the way you are suggesting, but what I will say to you is that we can definitely achieve 2030 clean power in a way that is good for business. If you think about the response of industry right across the board to the document that we produced in December, whether it is in manufacturing or whether it is in the electricity sector or in gas, there is wide endorsement of this plan. The reason there is endorsement of this plan is because people have been crying out for a framework and for certainty, and that is what we are providing.

Q387 Bradley Thomas: Do you think it would be wise to ask NESO to do any more modelling?

Ed Miliband: We work with NESO all the time on these issues. We work hand in glove with NESO, not just on modelling but on all of these questions, because they have a crucial role in the system and they have a crucial role in helping us to deliver clean power.

But I have to be honest with you: the worst thing for business in the last few years has been their massive exposure to what happened when Russia invaded Ukraine, because that sent business costs absolutely through the roof. There are businesses in my constituency and yours—



small businesses, medium-sized businesses, large businesses—that have not recovered from that. If you are asking me whether I think the pro-business measure is to back off and say, “Let’s rely on fossil fuels, let’s gamble, let’s keep our fingers crossed, let’s play in the fossil fuel casino and hope that geopolitical events mean fossil fuel prices do not go up,” I part company with you.

Q388 Bradley Thomas: I have a bit of time, Chair, and the Secretary of State has referred to prices and what drives business confidence. We see a lot of levies applied to one side of energy rather than the other. The Government are pushing heat pumps. Businesses regularly cite to me that electricity prices are one of their biggest inhibitors day-to-day in terms of running costs, but also future investment plans. Do you agree that energy market reform is something the Government should aspire to?

Ed Miliband: Absolutely, and—

Bradley Thomas: Electricity market reform.

Ed Miliband: Are you talking about where levies are—

Bradley Thomas: It would include where levies are applied, but also perhaps broader reform of the electricity market.

Ed Miliband: Well, that is definitely something that we are embarked upon and I covered it earlier. These are difficult questions.

On the issue of electricity prices, I think the potential, both for business and for families, of clean power by 2030 is giving some certainty to business and others—giving that security that frankly they have not had for a very long time and that I have referred to.

I know the Committee has looked at the issue of rebalancing. These are complex issues. The principled case is completely understandable, which is that you want to make electricity cheaper. Whether it is to do with families or businesses, we have to find a way to do it in a way that is fair and does not impose problematic burdens.

I believe, Chair, that you referred to the Nesta report on these issues, which is an interesting contribution to the debate. This is definitely something that we are actively looking at, but I am being cautious about this because—it goes back to my answer to Luke—in all these decisions we have to make sure that we do not have unintended consequences.

Q389 Ms Polly Billington: Following on from that, on some of the issues around how you deal with the cost of energy for consumers, what more could the Government do in the shorter term—and very much in the shorter term—to lower the cost of energy for consumers from their current highs?

Ed Miliband: The reality is that the best thing we can do in the shorter term is to work with the companies to make sure there is proper help for people. We have a warm home discount in place for some of the most vulnerable. Then you get to issues like energy efficiency and insulation,

which can make a difference, and solar batteries—all those things can be part of the mix.

I have to be honest with you: I wish there was a quick fix to these issues but frankly there is not a quick fix. This is what it means to be on the rollercoaster of global fossil fuel markets. There are things we can do and we are constantly and actively engaged in the difference we can make for consumers, and looking at how we can lower the costs consumers face. But the reality is that the virtue of the system we are talking about is that it gives us—that elusive word—control of where prices are going. Every solar panel we put up, every wind turbine we build, every piece of grid we build gives us that greater degree of control.

Q390 Ms Polly Billington: What, if any, support is your Department considering putting in place in case wholesale prices spike again?

Ed Miliband: We always look at these issues, and obviously there are direct impacts on public expenditure and other implications. We continue to keep under review the scale of the warm home discount, which is our current measure for this, and the group that gets helped by the warm home discount, and we are always looking for ways—this is work that Miatta, my colleague, is constantly engaged in—that we can do more to help consumers.

Q391 Ms Polly Billington: It is clear from what you are saying that you are much more focused on targeted help rather than on stuff that would help everybody equally across the board.

Ed Miliband: The way I think about this is, to take the heat pump grant for example, it is not a means-tested scheme so there is universal help available. We want to do more to develop the financing offer for the able-to-pay market, working with the banks and others, and that is something that will be part of our warm homes plan later on this year.

But it is also right to say that when it comes to most of public money and the support that there is, that should be in particular targeted on those most in fuel poverty. One thing that we have done since the election is said that we will ensure that by 2030 all private and social rented sector landlords get their homes up to EPC C or the equivalent, and that can take up to 1 million people out of fuel poverty. That is another thing we can do to make a difference on these issues.

Q392 Ms Polly Billington: Do you have any appetite for a social tariff?

Ed Miliband: I absolutely think a social tariff is something that we need to look at. Different people mean different things by a social tariff. We have a social tariff in its infancy, if you like, through the warm home discount, but I definitely think that part of what we need to be examining the case for and the ability for us to do in the years ahead is a more fully fledged version of that.

Q393 Ms Polly Billington: I have one last question before we move on. As you will be aware, if you are in Ramsgate in my East Thanet constituency, you are nearer to France than you are to London. Co-operation with Europe is obviously relevant, particularly in terms of greater energy co-



operation and trading between the EU and the UK. What obstacles lie in the path of that greater energy co-operation, and how might we overcome them?

Ed Miliband: It is very much part of the discussions we are having about how we can co-operate for mutual benefit on these issues around energy. Clearly we have interconnectors in place, which are part of the co-operation. If you go back to something like CCS, there are big opportunities for European co-operation. We are part of NSEC, which is a group that co-operates around the North sea. I think this is a fruitful area where we can co-operate with France and with other European countries as well.

Q394 **Claire Young:** Secretary of State, you have talked a lot about clean power and its importance for lowering energy bills in the long term, but NESO's Clean Power 2030 advice warned that higher levels of CCS and hydrogen deployment could mean that gas still sets the price of electricity in up to 47% of periods. Is it not therefore misleading to suggest to the public, as you have done, that clean power will protect them from international gas prices?

Ed Miliband: I have followed quite a lot of the very interesting questioning you have done of NESO and of Emma Pinchbeck on these issues, and I will try to set this out as clearly as I can. It is a complex area. I think this 47% can be a little bit misleading, because the extent you get the benefits of cheaper of renewables does not just depend on what sets the marginal price; it also depends on the instrument you are using to support renewables, whether it is CfDs or renewable obligations.

What will happen between now and 2030 is that more and more ROs will move off the system because of their lifespan, and CfDs will play a much bigger role in the system. That means you will see the benefits of cheaper renewables, because you are setting the price through the CfD and it is not related to the gas price in a way that the RO was. By the CfD setting the price, you bank a lot of these extra costs. I understand why this 47% has been an issue in your deliberations, but we should be careful about getting too hung up on that, because that does not tell the whole story about translating the benefits of Clean Power 2030 into the prices people are paying.

Jeremy Pocklington: That is absolutely correct—lower inframarginal rents is how the economists would term it. NESO's analysis shows that under the scenario with low-carbon dispatchable flex—I mentioned this point earlier—whole-system costs, which are the overall operating and capital cost of the system, and the thing that ultimately will feed through to bills, are lower in the scenario where you have power CCUS operating, despite the fact that you have gas operating for that slightly higher number of periods, for the reasons that the Secretary of State has set out. But you will also still have lower wholesale costs than you would have now, of course, because you have still got more renewables on the system.

Q395 **Claire Young:** A priority recommendation of the Climate Change



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Committee's progress report last year was to remove policy levies from electricity bills. Obviously there are several ways of doing this, such as moving them to gas bills or general taxation. What are your preferred solutions to make electricity cheaper?

Ed Miliband: In a way this was my answer to Bradley earlier. The Nesta report puts it quite well. There is a world where you transfer all the levies to public expenditure. No doubt all of us in our fantasy world would like that to happen. It is billions of pounds of costs. I do not think it will surprise the Committee if I say that is unlikely to happen in the short term, given the fiscal situation that we face.

Then we face this issue of where does the incidence of this fall, and it is complex. These are the issues we are working through. You have 100% of people, more or less, on electricity, and about 80% of people on gas, so if you are transferring the 100% to the 80%, you then have a potential bills effect. That is the thing to work through on particular groups of people.

I am being cautious because I think the principled case for these levies not falling on electricity is clear. The practical solution to make it happen is more complicated, and in a world where we need to protect fairness, as I said to Luke, we need to proceed cautiously.

Claire Young: Indeed, if fewer people are using gas, that will become even worse.

Ed Miliband: Exactly.

Q396 **Claire Young:** Do you intend progress the green mortgages consultation from 2020, to help private homeowners to take on home energy improvements?

Ed Miliband: This is definitely something we want to work on, as I think I said to Polly. It is important to realise the potential here. If you think about the potential around solar, batteries and heat pumps, with half-hourly settlements, I think we are underestimating the extent that this can make a massive difference to consumers and give people much more control over their bills and lead to lower bills.

This is a long-winded answer to your question, so the answer is yes, very much. Working with the banks and others to make sure that, particularly for the able-to-pay market, and indeed for others, we can find a way to help people to finance this transition is absolutely key to making the transition happen, and doing so in a way that helps consumers.

Q397 **Chair:** At the moment there will be a ban on installing new gas boilers in existing homes from 2035. There are wide reports that you intend to scrap the ban; can you let us know whether that is the case?

Ed Miliband: There will not be a ban because Rishi Sunak never legislated for the ban and then he said he would not do it. The answer is that we said in our manifesto that we will not force anyone to rip out their gas boiler. Again, I want to be frank with you, Chair: I am very cautious on these questions because we can say to people, "You need to get a



heat pump, not a gas boiler, potentially at some point in future,” but I am very wary of saying that we will stop people having gas boilers at a point when we cannot guarantee that heat pumps will be cheaper for people. Obviously we look at these issues.

Rishi Sunak did two things in that speech in 2023, and it is important to set this out: he said he would push back the petrol and diesel vehicle phase-out to 2035, and we said we disagreed with him on that and were going to keep it at 2030, and he also said that he would not go ahead with the mooted 2035 ban on new boilers, and we did not say as an Opposition that we would reverse that.

We did that deliberately because my absolute bottom line is that we must proceed in a way that means we can say to people, “You will be better off in making this transition,” and I do not want to be in a position where I say to people, “You must go down this road,” and the people say to me, rightly, “You will make me worse off.” So that is our position on that.

Q398 Chair: Thank you for confirming the situation. Can you say what will happen under the future homes standard—whether there will be a mandatory ban on fossil fuel heating in new homes?

Ed Miliband: The future homes standard is a matter for MHCLG and they will be coming forward with proposals. There are massive advantages to us in ensuring from the outset that homes are built to a low-carbon spec. There is enthusiasm for this among the house builders and others.

To give you the vision here, because it is important to talk about the positives, there is one company that is working with house builders to say, “We will guarantee not zero-carbon homes for 10 years but zero-bills homes for 10 years,” which is a massively exciting concept for people. That is turning the prospect of zero carbon into a consumer benefit and that is what we are about.

Chair: We have overrun your 90 minutes; you have been very generous.

Ed Miliband: We could have gone on for hours.

Chair: We do have one more question; are you happy to take one more?

Ed Miliband: Of course.

Q399 Anneliese Midgley: Thank you, Chair, Secretary of State and Permanent Secretary. I will ask a couple of questions on jobs and workforce. Starting with the warm homes plan, there is obviously an incredible potential to create tens of thousands of jobs with retrofitting our homes, but at the moment those jobs that are insulating our lofts are often low paid and on precarious contracts. How will this plan make sure that the green jobs that are created are good jobs?

Ed Miliband: I am pleased we have gone into injury time or extra time or whatever it is called these days; I am giving you my age here. You raise a wider point—I will come to your specific question—about the role of trade unions in this transition. We have a different view from the last Government on the role of trade unions in this transition. For this transition to work, it must command a coalition that includes as many



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political parties that will be part of it, business and civil society, but also have trade unions at the heart of it. The prospect of good, unionised jobs as part of this transition—for example, in the renewables sector—is important to me as Secretary of State.

On your point about homes and jobs—whether it is heat pumps or insulation or all those things that are important—we will be publishing our warm homes plan later on this year, and the role of the workforce, and a properly paid workforce, will absolutely be part of it.

Q400 Anneliese Midgley: You have said, as you said in answer to the last question, that there will be a big role for trade unions in GB Energy. That is very welcome, but there is little detail about what it means. Would you take this opportunity to briefly set out what that means, and maybe write to us in more detail about it?

Ed Miliband: I definitely will. What I would say at a general level is that we want GB Energy to be a model of what a good employer looks like, working with the trade unions. I know this is important to Juergen Maier, who is the start-up chair of GB Energy, and I am happy to write to you in more detail about that.

Q401 Anneliese Midgley: Thank you. You have mentioned the domestic heat workforce in this session, but what is the plan for them? We obviously have an ageing workforce, there is a skills bottleneck and there are fears about future job security as well, given the Government decisions about home heating. Can you briefly set out how your Department is working with industry and the unions to make a long-term plan on that?

Ed Miliband: I think it goes to this wider question that is in all of this, and this is the next stage of what mission control, led by Chris Stark, will do. Workforce planning is incredibly important, because there is huge potential for jobs in some of the areas you have talked about, including in home heating. Where will we get the people? How will we make sure that we have the skills mechanism in place.

We have something in my Department called the office of clean energy jobs, working with Skills England. There are huge amounts of data in the Department about the needs we expect to have, but it is crucial to make sure that we know what the demands are, and that we have the mechanisms in place to make sure that we have that supply of workforce, and that they can have the training that is required.

I think the Chair remarked at a previous session that skills often gets left off at the end of the discussion. This is absolutely crucial and I will not do it justice today, but it is an important area for the Committee, because there is the potential here but you need to have the right mechanisms in place to make the potential a reality.

Q402 Chair: You mentioned Skills England; there is a challenge in every sector of the economy, and the sector we are discussing is competing for workers at all levels with every other part of the economy. How will you make sure that those workers come to fill the jobs that Anneliese Midgley has just been talking about?

Ed Miliband: Explain the question again please, Chair.

Chair: The businesses that are trying to recruit and train workers to fit heat pumps, and for the oil and gas industry, are competing for the same people who are being attracted to do engineering or technical jobs or, indeed, work in the national health service.

Ed Miliband: This is the work we are engaged on across Government, working with Skills England, and my Department is engaging. You are right that it is a challenge. I do not want to have rose-tinted spectacles here, but there is a massive opportunity. I want to assure you that part of our job, for the first six months, is to get this clean power action plan out. The work that we are now undertaking is to make sure that not only do we have the right workforce in place to deliver, but that it fits with all the other demands on the workforce that there will be, and that we have the skills and mechanisms in place to make sure that the workforce is there where it is required by region, not just nationally.

Chair: Thank you. We have a final question from Bradley Thomas.

Q403 **Bradley Thomas:** For the avoidance of doubt, I draw everyone's attention to my register of interests. I was formerly employed by a company that makes home heating equipment.

This question is about the target for heat pumps and the step change required to hit the Government's target. In that industry, if you or I have a boiler break down, we probably call our plumber, and they are the consumer advocate for whatever technology we install. Gas boiler manufacturers do not conventionally have a direct sales relationship with a consumer, so we are reliant on the advice of our plumber or gas engineer. How concerned are you, Secretary of State, about the ability for us as an economy to deliver that step change in skills required, given that the typical age of a gas boiler installer is probably 50-plus, and they will likely have retired from the industry at the point at which gas boilers are ceased from installation?

Ed Miliband: You are right to raise this as a challenge, and it goes to the more general challenge. There is lively disagreement about the scale of where heat pumps can work and where they cannot, but I think there is consensus that we are going to need many more heat pumps installed across the country. I think this is doable.

One of the things we are pleased to have done is to be bringing in the clean heat market mechanism, and to have worked with industry to overcome some of the concerns that they had over this. It is now at least coming in. This only works if we bring industry with us on this journey, and my fellow Minister, Miatta Fahnbulleh, has done brilliant work on this to bring industry with us. We have the heat pump investment accelerator from the previous Government. We are determined to work with the industry and indeed work on training the workforce. This is absolutely doable, but it requires massive attention and it is something on which we are focused as a Department.

Chair: Thank you. Two more people have now indicated that they have

questions, so we will continue for a little while longer, if that is okay.

Wera Hobhouse: You are very generous, Secretary of State.

Ed Miliband: I am generous. Well, I think your Chair is generous on my behalf, actually.

- Q404 **Wera Hobhouse:** We have said very little about hydrogen. I had a meeting with a gas grid, Wales & West Utilities, which basically provides the gas in my Bath constituency, and this question comes from them. We have heard relatively little about hydrogen in heating homes in the past, and they want to ask how we ensure fair policy decision making in future. How do the Government intend to make an evidence-based decision on hydrogen for home heating? There were pilots, some of which have been stopped. Wales & West Utilities say they are hydrogen ready. There is also the opportunity to mix hydrogen with natural gas, which would have immediate benefits without having to change anything in home heating for consumers, since we are concerned about what consumers have to do in the future.

Ed Miliband: In the interests of time, Chair, since we are in overtime, I am going to be relatively brief. There is an important role for hydrogen in our economy. We touched on it a little bit earlier in relation to industry. The issue of hydrogen in home heating is something we are examining. We have said in our response to the Climate Change Committee that we will consult in 2025 on these issues. We need to get this decision right and I am not going to prejudge it. We want to make an evidence-based choice on this.

On the pilots that you are talking about, we are supportive of the H100 project continuing because we think it can bring benefits for the wider hydrogen economy. We expect that the first homes will be connected by summer 2025 as part of this trial.

- Q405 **Mike Reader:** Thank you for your time today. This is my first ever question at a Select Committee.

Ed Miliband: I feel privileged.

Mike Reader: It is probably a question for Jeremy, though, so I do apologise, Ed.

I am interested in the spending review. How much work are you doing to make sure that there is a cross-Government view on achieving net zero and other goals? As I think has been raised, you cannot achieve climate resilience without DEFRA being brought in. You cannot decarbonise transport without DFT taking serious decisions around public infrastructure, haulage and logistics. Are we going to see a joined-up spending review that tackles climate across all Departments?

Jeremy Pocklington: I am going to do something that is quite rare: I am going to praise my Treasury colleagues.

Ed Miliband: Always wise at this time of year.



Jeremy Pocklington: They very much are putting the Government's missions at the heart of their approach to the spending review, and we are working very closely with them to do that. Obviously, that includes the clean energy superpower mission and the net zero part of that. We are working very closely with ourselves but also with colleagues in the Treasury and other key Departments, like the Department for Transport, MHCLG, the Department for Business and Trade and DEFRA, to make sure that we are joining up and are able to produce for Ministers high-quality analysis of what the impact will be in terms of our climate and net zero ambitions. The fiscal situation is tight—everyone in this room knows that—and it is going to be very important that we prioritise and that we look carefully at non-fiscal levers as well. That is something that we are focused on.

Ed Miliband: I often say this to colleagues: lots of people have lots of demands on me—support this project, support that project and so on—and I think it would be wrong of me, going back to my exchange with Sir Christopher, not to say that we are operating in a very tricky and tight fiscal situation. There are obviously significant pressures when it comes to the spending review, but I echo what the Permanent Secretary said, which is that I think the Prime Minister having this as a mission—one of five missions—makes a big difference in the priority it will receive.

Chair: And finally, Polly Billington.

Polly Billington: Sorry.

Ed Miliband: This is where, as a fan, you get annoyed at the referee for going beyond the time.

Q406 **Polly Billington:** I was going to withdraw this question because of what Mike said, but I think it is relevant because of what you said, Jeremy, about the non-physical levers. I was initially going to ask the question about the future homes standard in relation to that being MHCLG's responsibility. Increasingly, decarbonising our economy becomes a responsibility of other Departments. You can send strong messages to the market, and sometimes the messages or the levers for doing that are not, strictly speaking, within your purview as DESNZ. What is the Government mechanism to ensure that decarbonisation is fully embedded into the actions of other Departments, even if the primary responsibility for decarbonisation sits with you?

Ed Miliband: This is when we get to the exciting part where we can talk about mission boards. It is the bit that all the viewers have been waiting for.

Look, I do think this is important. It is not just that the Prime Minister has this as one of the five missions, but we have a mechanism: a mission board that meets regularly, chaired by me and deputy chaired by Pat McFadden, the Chancellor of the Duchy of Lancaster, with relevant Departments—the key family of Departments on these issues—to go over these questions. My observation would be that what is good about these mission boards is that they do not function quite in the way that Cabinet



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Committees have done in the past, in my previous experience of Government, where they convene when there is a disagreement. Cabinet Committees were a sign of trouble in the past. This is a way of co-operating on these questions.

My observation would be that in the key areas that matter—MHCLG, Transport, DEFRA and DBT in particular, and DFE because of the skills angle, and the Treasury—there is real focus, enthusiasm and understanding of the importance of this to the mission. They have lots of other priorities and the mission approach does not address every challenge, but I think it is important.

Chair: Thank you very much, Secretary of State and Permanent Secretary. Thank you for your extensive answers and for giving us extra time—almost into penalties. We got there in the end. That is the end of our session.