The road to net-zero: what we need to get right

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Who are Good Energy?

Founded in 1999 as one of the UK’s first 100% renewable power companies.

Our core purpose is captured in this phrase:

“Powering the choice of a cleaner, greener future, together.”

As an energy company, we are... ...giving consumers a choice to be part of the energy transition...

...to live in a future based on clean, technologies which enable...

...deployment of more renewable technologies...

...in partnership with generators, customers and other stakeholders.
The urgency of net-zero

The energy sector is central to achieving net-zero emissions within a generation. We can look at what we need to get right through four pillars.

- Research & Innovation
- Infrastructure
- Regulation
- Consumer
The UK spends 1.7% of its GDP on R&D. Where does it go?

**Pharmaceuticals** – £4.5 billion

**Automobiles** – £3.8 billion

**Aerospace** – £1.7 billion

By contrast:

**Energy** – £0.2 billion

We can’t reach the new world with old world innovation spending. You get what you pay for.
Invest in the world you want to see

• Costs for new tech will remain high without the right investment.

• Good Energy/Salford University research into vehicle-to-grid technology found households could save £300. But the tech isn’t commercial yet.

• Capital costs for one new nuclear plant are now £22bn. How far could green hydrogen go with that research funding?
The UK’s energy infrastructure was built to serve high-carbon, centralised technologies.

Over 80% of British homes are connected to the gas grid. We need to upgrade the system to support flexible, clean energy.

Key questions around our energy infrastructure:

How can we integrate EVs, heat pumps, hydrogen and green gas into the grid?

How can we get the most out of the existing network?
Clean energy needs clean networks

- Small-scale renewables and electric vehicles are now becoming mainstream.

- We need to create a network which is flexible and encourages decentralisation.

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From The Electricity Act in 1989 to The Energy Act in 2010, and beyond; the power market has gone through different stages of liberalisation and regulation.

The result is 10,500 pages of rules reflecting different policy priorities. Many of the rules do not support our ultimate goal of a zero-carbon, flexible marketplace.

We need to take a step back and ask a simple question:

**How can we create market mechanisms designed to shift the whole system towards net-zero?**
Join up markets to support net-zero

- The Capacity Market - designed to build new gas plants.
- Contracts for Difference - designed to build large-scale nuclear and renewables.
- The Balancing Market - one of the only places where smart tech can operate.
- Embedded Benefits – cut by Ofgem to ‘protect the consumer’. 
From smart meters to home storage, consumers will have a much greater role in achieving net zero emissions.

Green products have grown in popularity; renewable tariffs alone grew from 9% of the market in 2016 to over 50% in 2019.

But the market is still holding them back: policy reversals, such as Ofgem’s Targeting Charging Review, create new costs and barriers.

And there remains a lack of transparency around green claims.
Protect consumers to change behaviour

• Committee on Climate Change: 62% of measures to reach net-zero require societal or behavioural changes.

• But Which? research found most energy suppliers aren’t as green as consumers think.

• We must build trust with consumers if we want them to support net-zero.

“Our research reveals that many companies selling renewable electricity aren’t doing what consumers presume”
Net zero: giving ourselves a fighting chance

- Support innovators
- Stronger network
- Ambitious policies
- Better regulation
- Enable consumers