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## 60-SECOND SUMMARY

Our vision for the north of England is that by 2050 we will be the leading low-carbon energy region in the UK, with an energy economy worth £15 billion per annum and 100,000 green jobs providing affordable, clean energy for people and businesses across the North.

This Northern Energy Strategy, the final report of the Northern Energy Taskforce, represents something of a route map as to how best we move forward.

### 1. THE NORTHERN ENERGY ECONOMY

To become the leading low-carbon energy region in the UK, we must build on our existing strengths and put them front and centre of any industrial strategy. The North has strategic advantages in key areas such as hydrogen, tidal and marine energy, as well as in emerging forms of energy storage, but these and other opportunities require a more strategic and consistent approach to energy innovation and supply chain development. **To achieve this, we recommend:**

- 
- A new **Northern Energy Accelerator** to identify, co-ordinate and drive northern energy opportunities from early-stage innovation to commercial and social success;
  - Making the north of England the **testbed for the smart grid transition** and the roll out of new Distribution System Operators (DSOs);
  - Collaboration to support more flexible and permissive approaches to energy pricing and supply to **support and transform the North's energy intensive industries**.

### 2. THE LOCAL ENERGY REVOLUTION

Households and businesses will be the driving force in creating a more efficient and intelligent energy system, and a relatively small number of community energy schemes are already leading the way with local energy generation and efficiency measures. Action must be taken to eliminate fuel poverty, which is the cause of great social harm and considerable costs to the public purse. To date, however, market mechanisms are working too slowly and top-down policy-making is holding back the local energy revolution that is taking place in other developed nations.

**In order to kickstart a local energy revolution, we recommend:**

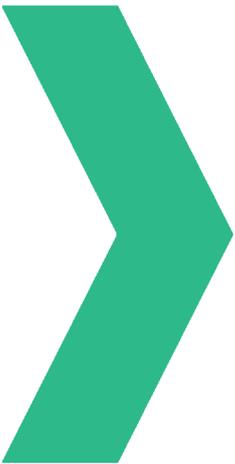
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- **Local energy devolution deals** where government devolves the receipts from the Carbon Floor Price (CFP) and Emissions Trading Scheme (ETS) to combined authorities in return for specific commitments to stimulate more decentralised approaches to energy generation and efficiency;
  - The responsibility and funding for the introduction of **energy efficiency measures (ECO)** should be switched from energy supply companies to energy distributors (DNOs) as part of the switch to a smarter grid;
  - Local energy strategies in every area including a portfolio of investable energy projects to drive the local energy economy and clear guidelines for the **integration of planning, transport, air quality, energy supply and demand** and smart grid development.



### 3. EXPANDING LOW CARBON GENERATION

The north of England has always played a leading role in the nation’s energy generation on account of its geographical and geological assets. While recognising that traditional fuels such as coal and natural gas are likely to play a continued role within the northern energy system in the coming decades, the focus of our effort must now be placed on the North’s renewable heat and power sources. **To this end we recommend:**

- Government must reinvigorate its interest in **carbon capture, storage and utilisation**;
- Its **hydrogen-for-heat** demonstrator project should be allocated to the North given the private investment already made here;
- With nearly half of all renewable power already generated in the North, there are urgent actions required across a wide range of **renewable technologies** to keep northern England at the forefront of the renewable energy sector;
- And there is huge scope for us to export Northern expertise to exploit the burgeoning European market for **nuclear decommissioning**.



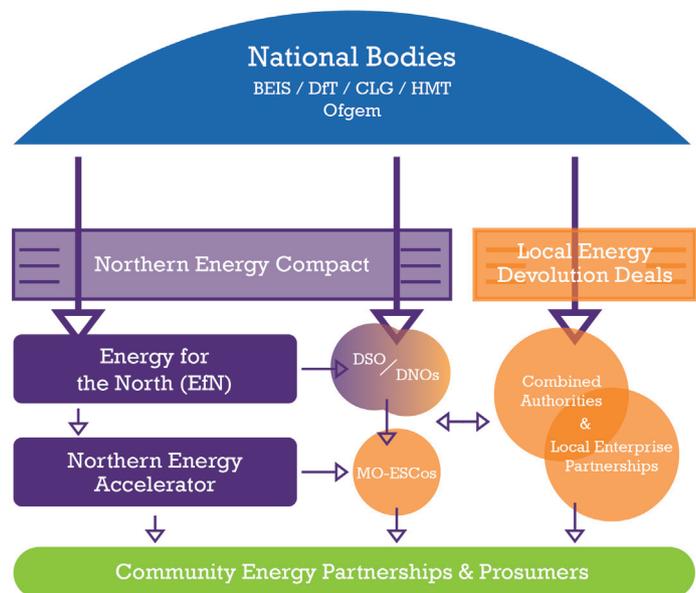
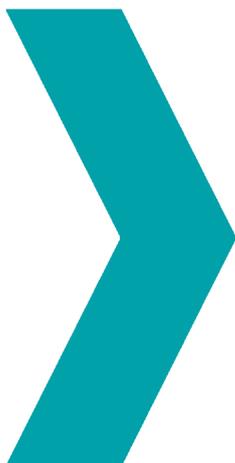
### 4. A NORTHERN ENERGY COMPACT

Above all though, the primary way in which any of these technologies can be supported by public policy is for there to be **transparency, continuity, and certainty regarding the energy policy framework** to facilitate private investment. We believe that the best way to achieve this is for Northern leaders to work with central government, Ofgem and the Committee on Climate Change to negotiate a long-term **Northern Energy Compact**.

Such a compact would be a long-term arrangement to provide the transparency and continuity necessary to facilitate public and private investment in Northern energy assets and opportunities.

It would have **two key components:**

- **A Northern Carbon Budget** binding the region to reducing carbon emissions by an agreed amount over five-year periods.
- Negotiated **freedoms and flexibilities within the national regulatory and policy framework** to maximise opportunities in the energy economy and facilitate more effective progress towards carbon reduction.



## The progressive policy think tank

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