

Meeting minutes • 8 July 2025

Unlocking prosperity: the economic case for the UK's clean energy transition

Date: Tuesday 8th July 2025

Time: 12.15-1.15pm

Location: Room Q, Portcullis House, Westminster

Attendees:

- Parliamentarians: Luke Murphy MP, Bill Esterson MP, Katie White MP, Angus MacDonald MP and Carla Denyer MP
- Guest speakers:
 - Sir Ian Cheshire, Chair, We Mean Business Coalition
 - Jennifer Beckwith, Interim Director on Net Zero, CBI
 - Rachel Solomon Williams, Executive Director, Aldersgate Group
 - Bruno Gardner, Head of Climate Change and Nature, Phoenix Group
 - Sarah Mackintosh, Director, CleanTech in the UK
- APPG Secretariat: Estelle Limon and Zoe Avison (Uplift)

OPENING REMARKS

Luke Murphy MP introduced the event by highlighting that the government's Industrial Strategy puts clean energy at its heart. It is important to hear from businesses who have a key role to play in delivering the transition. He set out the key areas for discussion: the economic case for the clean energy transition, the role of private sector leadership, and how the Spending Review and Industrial Strategy position the UK in the race to develop clean technologies.

Sir Ian Cheshire, Chair, We Mean Business Coalition:

- People talk about the energy transition as if it might happen, but it is happening. The UK has abundant offshore wind resources, so it makes sense for the UK to do this transition.
- The net zero economy is growing faster than other parts of the economy.
- China sees the energy transition strategically, with a significant proportion of its GDP growth coming from the energy transition.

- Businesses understand the economic case and are committed to this transition, not just viewing it as a nice to have.

Jennifer Beckwith, Interim Director on Net Zero, CBI:

- There is a clear positive case for the clean energy transition, which we are already seeing.
- The net zero economy represented 10% of growth from 2023-2024. Growth is three times faster than what we've seen in other parts of the economy.
- A lot of implementation work is now needed.
- The Climate Change Committee progress report said 80% of emissions need to be reduced in sectors outside of electricity supply - this is a big policy gap.
- The demand side in particular needs more clarity on how it can decarbonise.

Rachel Solomon Williams, Executive Director, Aldersgate Group

- Businesses agree there is an economic case for action on the environment.
- The government's measures on clean energy so far have been welcomed by business, with key barriers clearly recognised. These include supply chain, grid connections, and planning challenges.
- Caution against going so fast that there are unforeseen consequences for nature, which is critical infrastructure.
- On the demand side, clearer roadmaps for electrification of vehicles and heating are needed.

Bruno Gardner, Head of Climate Change and Nature, Phoenix Group

- Investing in the transition to net zero makes financial sense in terms of long-term outcomes for investors and it makes commercial sense in terms of sustainability being an expectation of clients. It is also an opportunity to make positive social change.
- The government has introduced some encouraging measures over the last 12 months, which will be positive in the long-term, including the clean power action plan, National Wealth Fund, Industrial Strategy.

- There was nervousness among the investor community that sustainability might be deprioritised by this government, but it wasn't. The government continues to see net zero as an enabler of growth, jobs and investment, which is positive.
- Investors are very encouraged, but more needs to be done, particularly in terms of detail which will provide greater certainty.

Sarah Mackintosh, Director, Cleantech for UK

- Returns from the UK's transition to clean energy have so far not been optimised. There is an opportunity to maximise future investment from innovation.
- The Industrial Strategy is positive. However, the decision in the Spending Review to stop further investment into the Net Zero Innovation Portfolio is a shame.

Q&A DISCUSSION

Key points in the Q&A included:

- Businesses and investors have welcomed the direction of travel and narrative around growth and jobs, and want to see more of that.
- Businesses also need to see more detail from the government. Headline commitments are not enough for businesses to plan investments. The government should be more specific on where they expect private sector investment to come from, and what form they expect that investment to take.
- Measures in the Spending Review and Industrial Strategy have increased investor confidence. Certainty and stability in policy and narrative are crucial. For example, previous changes to the EV mandate had a material impact on businesses. U-turns under the previous government are still impacting confidence.
- There is a role for public procurement to encourage sustainability, particularly for early-stage technologies to provide demand off-take certainty that investors are looking for.
- Weakening cross-party consensus on net zero impacts business confidence. There is a role for businesses to engage with political parties that are more sceptical of the transition to persuade them of the economic benefits.

- Bringing the public along on the transition is vital, including by reducing costs. The cost of energy is a big issue for people and businesses, which the government has recognised.
- The importance of making a strong case that the clean energy transition could deliver co-benefits, including saving people money and making the country and world safer. Messages around security and cost work better with the public than job promises.
- Business and government should continue working together to tell a positive story about the energy transition.