

# Aldersgate Group response to the Energy Security and Net Zero Committee's inquiry into building support for the energy transition

## April 2025

### Introduction

The Aldersgate Group is an alliance of major businesses, academic institutions and civil society organisations which drives action for a competitive and environmentally sustainable UK economy.<sup>1</sup> Our corporate members represent all major sectors of the economy, and include Associated British Ports, Aviva Investors, BT, CEMEX, the John Lewis Partnership, National Grid, Crown Estate, Nestlé, Siemens, SUEZ, Tesco, and Willmott Dixon. Aldersgate Group members believe that ambitious environmental policies make clear economic sense for the UK, and we work closely with members when developing our independent policy positions.

Tackling climate change and restoring our natural environment are fundamental to creating a resilient and competitive economy. Businesses recognise this and are acting on it, but they need the right policy landscape, knowledge and skills to accelerate progress.

### Questions

#### **1. Has the government properly explained the potential benefits of the energy transition to the average citizen?**

The broader benefits of the energy transition – such as economic growth, job creation, and improved health and well-being – have not been effectively communicated. Public messaging has largely focused on potential future energy bill savings, while the wider opportunities remain underexplored.

To make these benefits more accessible, they need to be translated from high-level concepts into practical implications for businesses and individuals. The UK government has a crucial role in both establishing the necessary frameworks to capitalize on the transition and fostering public and business engagement. This includes facilitating discussions to raise awareness and drive participation.

The government should draw on best practices in public engagement, such as the UK Climate Assembly, which was commissioned by select committees and successfully informed climate policy. Additionally, publicly funded advice services such as those available in Scotland and Wales are vital in helping businesses and individuals navigate the transition effectively.

For some sectors, decarbonisation will lead to significant operational changes or the end of fossil-fuel based operations. It is essential that upcoming transformations are effectively communicated to ensure continued public support. As an example, the Aldersgate Group welcomed the government's consultation on the North Sea's clean energy future. The private sector recognises both the growth opportunities of the clean energy transition and the risks

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<sup>1</sup> Individual recommendations cannot be attributed to any single member and the Aldersgate Group takes full responsibility for the views expressed.

of investing in assets that are incompatible with the 1.5°C climate target. Stranded assets pose a threat not only to the environment but also to the sustainability of the UK economy.

The skills and expertise developed in the North Sea over recent decades are invaluable, and it is crucial to communicate this more effectively to affected communities. Many skills in the oil and gas sectors are highly transferable to clean energy and other emerging industries, either directly or with targeted upskilling.

To fully capture this growth opportunity, it is essential that local communities and workers have a meaningful role in shaping the future energy landscape. Their perspectives must be considered early in the transition process. With the right policy framework and strong engagement between government, industry, and local communities, the UK can achieve a net-zero transition without deindustrialisation.

Research also shows appetite from the public for more information. According to a survey commissioned by WSP, 75% of students agreed that they would like or would have liked to learn more about climate, sustainability, and environmental-related topics at school.<sup>2</sup> Similarly, joint research from Nesta and the Behavioural Insights Team found that awareness of the necessity, effectiveness and benefits of net zero policy is poor. Clear accessible information delivered through awareness campaigns can help demystify new technology, increase public confidence that policies will be effective and counter-balance misinformation and negative media content.<sup>3</sup> Recent research on mid- and late-career workers highlighted a belief that green jobs are ‘future jobs’ yet to materialise.<sup>4</sup>

## **2. Is there a clear understanding of the costs of the energy transition to householders and businesses?**

Research shows that householders and businesses do not have a clear understanding of the costs of the energy transition. 7% of UK adults say they know ‘a lot’ about the costs of energy efficiency and a third did not feel able to make an estimate of costs; only 16% say they know ‘a lot’ about the potential benefits.<sup>5</sup> A survey of 1,500 homeowners also found that 48% felt the transition is happening to them rather than with them, and 50% think there is too much conflicting information about heat pumps.<sup>6</sup>

In some sectors, the costs of the energy transition remain uncertain. For example, UK industrial businesses will need to electrify their operations, switch to alternative low-carbon fuels or, where low-carbon alternatives are not yet available, rely on carbon capture and storage (CCS). Industrial sites face significant uncertainty on when, where and at what cost they will be able to decarbonise, depending on what infrastructure is available and how much innovative technologies, such as green hydrogen and CCS, will cost. The cost of electricity is also currently uncertain, without a decision on the review of electricity market arrangements.

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<sup>2</sup> WSP, 2022, [Students not drawn to careers in sectors crucial to UK's net zero ambitions, new research suggests](#)

<sup>3</sup> The Behavioural Insights Team and Nesta, 2024, [Understanding public support for Net Zero policies](#).

<sup>4</sup> Phoenix Group, 2024, [Resourcing the net zero transition: What do workers in their mid-and late-careers think of ‘green’ jobs?](#)

<sup>5</sup> Santander, 2024, [Tomorrow's homes](#).

<sup>6</sup> Social Market Foundation, 2025, [Whose energy transition is it anyway? The case of clean heat](#).

Beyond the costs of the energy transition, it is important to understand the cost of inaction. A BCG study found that the physical risks of climate change could threaten 5-25% of corporate profits by 2050.<sup>7</sup> The cost of inaction could be as high at 10-15% of global GDP by 2100, significantly higher than the cost of keeping global warming under 2°C.<sup>8</sup> Continuing with business-as-usual will come at the cost of inaction and forms a more accurate counterfactual.

For householders and businesses, understanding which measures are suitable for properties of different ages and EPC ratings, as well as navigating planning permission, finance and finding suppliers, are all technical and lengthy tasks which act as barriers to action (this is exemplified by the Nesta “user journey for heat pump adoption” diagram<sup>9</sup>). To support households, a national retrofit advice service is needed to provide clear, action-focused advice, tailored to each home on the most effective way to improve energy-efficiency and reduce energy bills.

Although national expert advice services exist in Wales and Scotland, there is no national provision in England. To ensure we decarbonise homes across the UK, England needs an overarching national expert advice service which delivers consistent outcomes across the country, integrating and enhancing local advice services wherever these are present and filling in significant gaps to end the advice postcode lottery.

Creating a national expert retrofit advice service for England would help to accelerate and derisk the delivery of the Warm Homes Plan, reduce energy bills and enhance consumer protection, and make government money go further by referring eligible households into schemes – such as the Social Housing Decarbonisation Scheme, the Boiler Upgrade Scheme, or the Great British Insulation Scheme. An expert advice service is a key piece of infrastructure that will underpin the government’s commitment to upgrade five million homes over this Parliament. Energy Saving Trust estimates that the cost of delivering the expert and specialist advice service for England would be £3–5 million per year for every 100,000 homes initially served by a digital front door (plus initial set-up costs).<sup>10</sup> This cost estimate is highly dependent on how the advice service is structured.

### **3. Is there a need for public campaigns to counter the anti-net zero narrative?**

Climate Outreach research has found that very few people feel that central or local government have given them clear, relevant information, or consulted them on the policies and technologies being deployed to transition away from fossil fuels.<sup>11</sup> Communicating how the transition to net zero and new energy infrastructure are delivered and engaging the public and local communities are important to maintain and strengthen support. An ongoing public mandate is needed at a national level, and community buy-in is required at the project level. Without communication and engagement, this crucial public mandate is potentially at risk with the pace of delivery and scale of new infrastructure needed.

In the planning system, for example, the lack of a clear, publicly conveyed decarbonisation strategy can translate into challenges at the project level. For new renewable or grid

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<sup>7</sup> BCG, 2024, [Act on climate risk today or face the high cost of inaction](#).

<sup>8</sup> University of Cambridge, [Climate change costs: even cool, rich nations at risk](#).

<sup>9</sup> Nesta, 2021, [How understanding the user journey for heat pump adoption will generate innovation](#).

<sup>10</sup> Energy Saving Trust, 2024, [Warm Homes expert advice service for England](#).

<sup>11</sup> Climate Outreach, 2024, [Britain Talks Climate: Leadership](#).

infrastructure projects, the onus is currently falling on developers to discuss the need for new energy infrastructure and decarbonisation, and to explain policy choices and their implications for the local community. This reduces the opportunity to discuss project specifics. More granular awareness and understanding of the potential benefits and impacts vary across the country and communities. At the project level, this can contribute to lack of engagement or the spread of misinformation if there is an information vacuum, and in some cases can leave space for strong and well-organised opposition.<sup>12</sup>

Working with RenewableUK and CPRE on how to improve the planning system for energy infrastructure, we have recommended that the government should deliver a public campaign to make the case for new renewable energy and grid infrastructure, laying the foundations for positive community engagement.<sup>13</sup> As part of the 2030 clean energy superpower mission, the government should lead a coalition of organisations to deliver a public engagement campaign around the 2030 and 2050 energy targets, making the case for new renewable energy and grid infrastructure, setting out benefits and trade-offs, and raising awareness of mechanisms through which the public can participate in the planning system.

Beyond energy infrastructure and thinking more broadly about net zero, a government-led public campaign can help provide the information and support for the public to better understand the options available and the actions they can choose to take. This can support market certainty for low-carbon products and services and help increase confidence to invest in low-carbon sectors. The government has made welcome updates to planning policy to better support renewable energy development, but more communication is needed to ensure these policy changes are understood by the public and businesses to encourage further investment.

For example, the creative industries have an important role to play in designing more environmentally positive products and services but demand from customers is nascent and not currently sufficient to embed 'green' practices to their fullest potential.<sup>14,15</sup> Professional services and UK industry and manufacturing sectors face similar challenges with innovation low-carbon products and services potentially facing a 'green' premium. Nascent demand is currently insufficient to scale and reduce costs. Public and business awareness has an important role to play, alongside robust standards, policy and regulatory frameworks to incentivise uptake of low-carbon products and services and level the playing field with high-carbon options.

Finally, public campaigns can contribute to increasing awareness and uptake of training and upskilling for jobs in clean sectors. According to a survey commissioned by WSP, just 22% of students felt informed about the range of green jobs available to them.<sup>16</sup> Research on mid- and late-career workers highlighted that they are not currently motivated to switch careers,

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<sup>12</sup> Aldersgate Group, CPRE, RenewableUK (2024), [Insights for the decarbonised electricity system: journeys through planning](#)

<sup>13</sup> Aldersgate Group, CPRE, RenewableUK (2024), [Electric Dreams: How the Planning System Can Help Deliver the UK's Low-Carbon Energy](#).

<sup>14</sup> Design Council, [Design Economy](#).

<sup>15</sup> Creative Industries Policy and Evidence Centre, 2022, [Creative Industries and the Climate Emergency](#).

<sup>16</sup> WSP, 2022, [Students not drawn to careers in sectors crucial to UK's net zero ambitions, new research suggests](#)

with reluctance to retrain, low awareness of opportunities and concerns over job security.<sup>17</sup> By engaging the current workforce and young people about to enter into the workforce, it is possible to bring to life the opportunities that the energy transition presents and illustrate the exciting career opportunities that is before them. Socialising case studies of workers who have successfully transitioned career would be valuable and help make the transition seem more tangible.

#### **4. How should the government be more positively engaging the public with this goal?**

We welcome the government's announcement that a new Net Zero Public Participation Strategy will be developed and published this year. It is crucial that the government leverages public engagement to design better and more effective net zero policies, as well as continuing to build the case for net zero and empowering people to make environmentally positive choices.

The government also needs to ensure that public engagement on the energy transition and net zero considers and links to other key policy agendas such as nature restoration and environmental improvement. The government is currently developing multiple relevant strategies, including the land-use framework, food strategy, circularity strategy and others, which have interdependencies, shared goals and in some cases trade-offs with the net zero strategy. To build and maintain public support and trust, an understanding of government priorities and approaches across these overlapping policy agendas is needed.

Significant work has been conducted within government and in external organisations, creating a wide evidence base and good practice for the government to draw upon. Extensive stakeholder engagement and testing should feed into refining the strategy to ensure its purpose is clearly articulated and the strategy is set up for successful implementation. The government should also consider the role of businesses and NGOs in engaging the public on the clean energy transition. For example, Climate Outreach found that environmental charities and climate scientists are the most trusted messengers on climate change.<sup>18</sup> The Social Market Foundation also found that heating engineers and consumer websites are the go-to sources of information.<sup>19</sup> Some businesses also engage their clients or consumers in their sustainability efforts, such as information on more environmentally friendly choices. Some businesses not only have expertise in customer engagement but are already gaining valuable insight on public behaviour around the energy transition. For example, Octopus have been implementing demand side responses with customers, through electricity saving and “power-up” sessions, to encourage customers to shift their energy consumption to align with the supply and demand of renewable energy, offering incentives like free electricity and payments.

In addition to more systematic public participation and engagement in net zero, the government can set an example through supporting public sector action. This could include decarbonising public buildings, such as GP surgeries and schools, which can build trust in

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<sup>17</sup> Phoenix Group, 2024, [Resourcing the net zero transition: What do workers in their mid-and late-careers think of 'green' jobs?](#)

<sup>18</sup> Climate Outreach, [Trust](#).

<sup>19</sup> Social Market Foundation, 2025, [Whose energy transition is it anyway? The case of clean heat](#).

retrofit measures. Another opportunity is through implementing green public procurement measures across government.

Contradictory messaging or policy decisions undermine both business and public confidence and weaken engagement. This can also reinforce the perception that green jobs are a short-term political trend.<sup>20</sup> Resisting short-term noise and staying the course on decarbonisation will further reinforce the UK's position as a global leader in the transition to a sustainable, resilient economy. Ambitious leadership from the government and progress towards environmental targets will help prove that economic growth and environmental responsibility are not in conflict but mutually reinforcing. Demonstrating the potential benefits of the transition by delivering benefits in practice will be the most powerful mechanism to strengthen support for the transition.

Beyond engaging the public, the government must continue to engage businesses on the transition, recognising the vital role the private sector plays in delivery. Effective communication and engagement are essential to ensure businesses have reasonable notice of policy or regulatory changes, information on when clean energy and infrastructure will be available to access and at what cost, and clarity on the direction of travel.

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<sup>20</sup> Green Alliance, 2021, [Good, green jobs](#).