

# Rail industry responds to government's Net Zero Strategy

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The Director General at the Rail Delivery Group has called on the government to commit to a long term programme of investment, to decarbonise today's railway and build the railways of tomorrow if it is to realise the net zero ambition.

Andy Bagnall's also says it needs to use policy levers to make travelling by clean, green trains more attractive compared to going by car or plane.

His comments come as the UK government has unveiled its Net Zero Strategy, setting out how the UK will secure 440,000 well-paid jobs and unlock £90 billion in investment in 2030 on its path to ending its contribution to climate change by 2050.

Building on the Prime Minister's 10 Point Plan, the UK Net Zero Strategy sets out a comprehensive economy-wide plan for how British businesses and consumers will be supported in making the transition to clean energy and green technology - lowering the Britain's reliance on fossil fuels by investing in sustainable clean energy in the UK, reducing the risk of high and volatile prices in the future, and strengthening our energy security.

The commitments made will unlock up to £90 billion of private investment by 2030, and support 440,000 well-paid jobs in green industries in 2030. This will provide certainty to businesses to support the UK in gaining a competitive edge in the latest low carbon technologies – from heat pumps to electric vehicles – and in developing thriving green industries in our industrial heartlands – from carbon capture to hydrogen, backed by new funding.

Andy Bagnall, Director General at the Rail Delivery Group, said: “To realise the net zero ambition, government needs to commit to a long term programme of investment, to decarbonise today’s railway and build the railways of tomorrow, as well as using policy levers to make travelling by clean, green trains more attractive compared to going by car or plane.

“We want to work with government to build a net zero railway, which will also boost the economy by creating new jobs across the country in both the rail industry and high tech manufacturing sectors of the future, such as hydrogen or batteries.”

As part of the strategy, new investment announced includes:

- an extra £350 million of our up to £1 billion commitment to support the electrification of UK vehicles and their supply chains and another £620 million for targeted electric vehicle grants and infrastructure, particularly local on-street residential charge points, with plans to put thousands more zero emission cars and vans onto UK roads through a zero emission vehicle mandate
- it is also working to kick-start the commercialisation of sustainable aviation fuel (SAF) made from sustainable materials such as everyday household waste, flue gases from industry, carbon captured from the atmosphere and excess electricity, which produce over 70% fewer carbon emissions than traditional jet fuel on a lifecycle basis. The government says its ambition is to enable the delivery of 10% SAF by 2030 and it will be supporting UK industry with £180 million in funding to support the development of UK SAF plants
- £140 million Industrial and Hydrogen Revenue Support scheme to accelerate industrial carbon capture and hydrogen, bridging the gap between industrial energy costs from gas and hydrogen and helping green hydrogen projects get off the ground. Two carbon capture clusters – Hynet Cluster in North West England and North Wales and the East Coast Cluster in Teesside and the Humber – will put our industrial heartlands at the forefront of this technology in the 2020s and revitalise industries in the North Sea – backed by the government’s £1 billion in support
- an extra £500 million towards innovation projects to develop the green technologies of the future, bringing the total funding for net zero research and innovation to at least £1.5 billion. This will support the most pioneering ideas and technologies to decarbonise our homes, industries, land and power
- £3.9 billion of new funding for decarbonising heat and buildings, including the new £450 million 3-year Boiler Upgrade Scheme, so homes and buildings are warmer, cheaper to heat and cleaner to run
- £124 million boost to our Nature for Climate Fund helping us towards meeting our commitments to restore approximately 280,000 hectares of peat in England by 2050 and treble woodland creation in England to meet our commitments to create at least 30,000 hectares of woodland per year across the UK by the end of this parliament
- £120 million towards the development of nuclear projects through the Future Nuclear Enabling Fund. There remain a number of optimal sites, including the Wylfa site in Anglesey. Funding like this could support our path to decarbonising the UK’s electricity system fifteen years earlier from 2050 to 2035

The strategy says: “The rail network will be net zero emissions by 2050 through a sustained, long-term programme of investment in rail electrification, supported by deployment of battery and hydrogen-powered trains.”

In response David Clarke, Technical Director at the Railway Industry Association (RIA), said: “The Net Zero Strategy is the second document, alongside the Transport Decarbonisation Plan, confirming the Government’s commitment to further electrification and hydrogen and battery trains.

“Yet, although we welcome these positive plans, action is needed now if we are to reach Net Zero on our railways by 2050. As ORR statistics recently showed, we are electrifying at less than half the rate required to meet the 2050 target, and the UK is still yet to see any significant new electrification projects or major fleet orders of low carbon battery and hydrogen rolling stock. This lack of commitment puts at risk our existing electrification and rolling stock capability, which we know we will need to meet the 2050 target.

“As we approach COP26, now is an opportune moment for the UK to show international leadership and support green jobs and investment by committing to decarbonise rail.”

The policies and spending brought forward in the Net Zero Strategy mean that since the Ten Point Plan, the government says it has mobilised £26 billion of government capital investment for the green industrial revolution. More than £5.8 billion of foreign investment in green projects has also been secured since the launch of the Ten Point Plan, along with at least 56,000 jobs in the UK’s clean industries – and another 18 deals have been set out at the Global Investment Summit to support growth in vital sectors such as wind and hydrogen energy, sustainable homes and carbon capture and storage.

Through energy efficiency measures, falling costs of renewables and more, the measures in the strategy also mean people’s energy bills will be lower by 2024 than if no action was taken particularly as gas prices rise.

As the first major economy to commit in law to net zero by 2050 and hosts of the historic UN COP26 climate summit, the UK is leading international efforts and setting the bar for countries around the world to follow. The UK has hit every carbon budget to date – today’s Net Zero Strategy sets out clear policies and proposals for meeting our fourth and fifth carbon budgets, and keeps us on track for carbon budget 6, our ambitious Nationally Determined Contribution (NDC), while setting out a vision for a decarbonised economy in 2050.

Prime Minister Boris Johnson said: “The UK’s path to ending our contribution to climate change will be paved with well-paid jobs, billions in investment and thriving green industries – powering our green industrial revolution across the country.

“By moving first and taking bold action, we will build a defining competitive edge in electric vehicles, offshore wind, carbon capture technology and more, whilst supporting people and businesses along the way.

“With the major climate summit COP26 just around the corner, our strategy sets the example for other countries to build back greener too as we lead the charge towards global net zero.”

Business and Energy Secretary Kwasi Kwarteng said: “There is a global race to develop new green technology, kick-start new industries and attract private investment. The countries that capture the benefits of this global green industrial revolution will enjoy unrivalled growth and prosperity for decades to come – and it’s our job to ensure the UK is fighting fit.

“Today’s plan will not only unlock billions of pounds of investment to boost the UK’s competitive advantage in green technologies, but will create thousands of jobs in new, future-proof industries – clearly demonstrating that going green and economic growth go hand in hand.”

Both the Net Zero and Heat and Building Strategies build on the Prime Minister’s Ten Point Plan in November 2020 which laid the foundations for a green industrial revolution, kick-starting billions of pounds of investment in new and green industries to help level up the country. To date, the UK has decarbonised faster than any other G7 country.

Published alongside these two strategies today is HM Treasury's Net Zero Review, an analytical report which explores the key issues as the UK decarbonises. It helps to build a picture of where opportunities could arise and the factors to be taken into account when designing decarbonisation policy. While there are costs in reaching net zero, the cost of inaction is much higher.

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