

SOUTH WEST NET ZERO POLICY ROUNDUP AUGUST 2025

STRATEGY/POLICY UPDATES	LINK
People living within a kilometre of new or upgraded energy transmission infrastructure will receive up to £250 a year off their energy bills under proposals details in a consultation on proposals included in the Planning and Infrastructure Bill. More details on the consultation can be found below.	DESNZ
Ofgem has announced a 2% increase of the energy price cap for the period covering October to December 2025 – meaning a rise of of £2.93 a month for the average household. 37% of households are on fixed tariffs and will not be affected by the rise.	Ofgem
The Office for Budget Responsibility – the government's independent fiscal watchdog – has assessed that reaching Net Zero will cheaper for the government than previously estimated and that the economic damages of climate change far more severe. A report on risks to government finances estimates that the costs of climate change could reach 8% of GDP by the 2070s – with government borrowing related to mitigating its effects doubling leading to “lower productivity and employment and, therefore, lower tax receipts”. The OBR now predicts the government will also need to invest just over half as much on reaching net-zero as anticipated four years ago – largely to falling technology costs.	OBR
United Nations Secretary General Antonio Guterres has hailed the clean energy transition as “smart economics” in response to a new report from the International Renewable Energy Agency setting out how • The cost of renewable energy technologies has fallen over the past decade, with 96% of new solar and wind now costing less than new fossil fuel facilities. In 2024, the global average cost of electricity generated by solar photovoltaics (PV) and onshore wind was 41% and 53% cheaper respectively than the least-cost new fossil fuel-fired power plant. • Renewable energy deployment is “a key driver of energy security, economic stability and resilience in a volatile global energy landscape” with 74% of the global population living in a country which is net importer of fossil fuels, leaving the population “particularly vulnerable” to sudden rises in oil and gas prices.	United Nations

The first seventeen models have been approved for the Electric Car Grant, which cuts the prices of certain electric vehicles by £1500. [DfT](#)

The Department for Transport has published new guidance on how local authorities can apply carbon analysis to inform the development and quantify the carbon impacts of their transport strategies and schemes – including different methods for assessing carbon impacts, including the methodologies and datasets that can be used. [DfT](#)

CONSULTATIONS AND REVIEWS	LINK
As detailed above, the government is seeking views on scheme design for a bill discount scheme to directly benefit people living close to new and significantly upgraded electricity transmission infrastructure. The proposals set out: • which transmission infrastructure is in scope • household eligibility • how different eligible household types can access the benefit • the role of a centralised administrator to deliver the scheme The consultation is open until September 26th	DESNZ
The government is seeking views and evidence on how CO2 networks might need to evolve to meet national carbon ambitions and support growth of the carbon capture, usage and storage (CCUS) sector. The call for evidence is accepting submissions until October 31st	DESNZ
The government is seeking views on obligations for energy suppliers to improve smart meter operations and complete the domestic smart meter rollout by the end of 2030. A separate consultation outlines proposals aimed at enhancing the consumer journey by looking at the potential for efficiencies and through integration of smart meter installation and the installation of other low carbon technologies. Both consultations are open until October 3rd.	DESNZ
https://www.ofgem.gov.uk/blog/heat-networks-regulation-coming	
The following consultations detailed in our last Policy Update remain open for submissions.	
The Deputy Prime Minister has launched the Local Government Outcomes Framework (LGOF). The Framework sets 15 outcomes that Government expects to work with local authorities on to deliver key national priorities for local people and communities. These will be underpinned by outcome metrics drawing from existing data sources to show how progress will be measured.	MHCLG

These outcomes include supporting “a healthier, more resilient natural and built environment, including responding to the risks and impacts of climate change to the benefit of communities”. Metrics for assessing progress include: • Proportion of homes rated EPC or above. • Deaths attributable to particulate air pollution • Percentage of total household waste sent for recycling • Percentage of total household waste that is collected separately as food waste • Flood protection • Biodiversity The consultation is open until September 12th.	
The government is consulting on proposals to reform the Decent Homes Standard and extend the standard to the private rented sector for the first time. The proposals include: • A new minimum standard of energy efficiency for both social and privately rented homes. This standard will be EPC Band C or equivalent by: ◦ 2030 for social housing ◦ 2035 for private rented homes • Thermal Comfort as a Core Criterion of the revised DHS, including: ◦ Adequate insulation ◦ Efficient heating systems ◦ Measures to reduce heat loss and improve warmth The government is exploring financial and technical support options for private landlords. The consultation is open until September 10th.	MHCLG
Parallel to the above, a second consultation is seeking views on proposals to set a minimum energy efficiency standard (MEES) for socially rented homes. Socially rented homes are not currently required to meet a minimum EPC standard and current requirements are equivalent to EPC F. The government proposes setting the standard at EPC C by 2030. This consultation is also open until September 10th.	MHCLG
FUNDING ANNOUNCED	LINK
Three sources of funding for local heat network projects are currently open for applications. The Green Heat Network Fund provides capital grant support for the development of new and existing low and zero-carbon heat networks aimed at: • the commercialisation and construction of new low and zero carbon heat networks (including the supply of cooling)	GOV.UK

- the retrofitting and expansion of existing heat networks The current funding round closes on November 7th. The Heat Networks Delivery Unit fund provides support to local authorities through the early stages of heat network development, including: - techno-economic feasibility - detailed project development The current funding round is open for initial Expressions of Interest until September 12th. The Heat Network Efficiency Scheme provides funding to support improvements to existing district heating or communal heating projects that are operating sub-optimally and resulting in poor outcomes for customers and operators. The current funding round is open until September 19th	
The National Wealth Fund has made a £50m equity investment in a grid flexibility company. The investment in AMP will finance rollout of the organisation's Battery Box sites, which facilitate storage of energy close to local communities and provide essential flexibility to the grid.	National Wealth Fund
Allocations from the Heat Pump Ready Programme, which supports the development of innovative heat pump technologies, have been announced. Successful bids from the South West - Stream 1: Development and trials of high-density heat pump deployment. - Bristol - Bristol Heat Pump Ready. The Bristol Heat Pump Ready project focuses on ensuring consumers are fully supported in the transition to low carbon heat, by working collaboratively with local communities and supply chains. - Teignbridge, Devon, Project Gaia. Project Gaia aims to address the upfront cost barriers of ground source heat pump installation and increase the accessibility of heat pump technology.	DESNZ
An initial £4m of funding has been announced for a five-year challenge aiming to develop AI solutions which shift electricity demand to evenings and weekends.	DSIT

RESEARCH AND STATISTICS	LINK
New data from the national mine water heat lab has found warm water flows from former mines to stronger than expected, strengthening the case for clean, low-cost heat from coalfields. New technology deployed by the lab is increasing understanding of how much warm water is available through disused mining infrastructure how quickly it can be used and how reliably it can provide heat.	Mining Remediation Authority

The British Academy has published the results of a three-year study into improving governance “at all levels” to accelerate Net Zero delivery. The report recommends steps be taken to “deepen and broaden co-ordination mechanisms” to “strengthen subnational capacities for place-led Net Zero pathways” and “deepen collaboration with and between actors”.	The British Academy
A government-commissioned study into the health impacts of Net Zero Housing estimates that replacing conventional heating systems (gas boilers and electric heaters) with air source heat pumps could save the NHS up to £0.9bn in improved health outcomes. Full fabric retrofit could also save the NHS £0.3bn.	DESNZ
Estimates of total final energy consumption at a country, regional and local authority level have been published up to 2023.	DESNZ
Initial reports have been published from the Green Home Finance Accelerator , a government programme of funding for innovative finance solutions to decarbonise the UK's housing market.	DESNZ

MISCELLANEOUS	LINK
Amazon, Greggs and Aldi are among 20 UK retailers to sign a declaration co-ordinated by the British Retail Consortium committing to the development of a decarbonisation plan for the industry targeting net zero emissions by 2050.	British Retail Consortium
The National Energy System Operator has launched an interactive game allowing users to try their hand at balancing energy demand and supply.	NESO