

PLMR

Manifesto Analysis

Where do the key parties sit on energy policy and what could this mean in a new administration?



Major party manifestos

While a government or political party has no statutory obligation to fulfil its manifesto commitments, there are often strong political reasons to stick to them.

Parties will frequently refer to their manifesto commitments while in government and be held accountable to their deliverables in subsequent elections.

The Labour Party manifesto, published on 13th June, was relatively light on detail for this reason. Instead, it set out a narrative or “plan” for government. It reiterated policies that had been trailed in advance.

This **“no surprises” tactic** was designed to re-assure the electorate. If announced in one package in one swoop, the Labour manifesto contains relatively radical proposals such as the creation of GB Energy, a National Wealth Fund, a New Deal for Working People, the nationalisation of railways, VAT on private schools and a tougher windfall tax.

By previously announcing these policies and no new ones, instead, the manifesto was deemed to be “re-assuring” – a political move by the party.

The Conservative manifesto, by contrast, could be read as an **“opposition” manifesto** – with the Party using the manifesto to put key dividing lines between themselves and the Labour Party to appeal to voters.

Every manifesto can influence government – to a degree

Party manifestos signal where a political party is in a point in time to appeal to voters. However, the content can be a useful indicator of the future positions of the party on key issues.

Even if Labour win a majority, Conservatives, Liberal Democrats, and Green Party members will play an important part in government. They will vote on Bills in the House, sit on Committees and APPGs, and are able to hold the government accountable – including by making amendments to primary legislation. They will also shape the political discourse, and therefore the environment that a government operates in.

While much can be made of the key differences between parties, there are also many similarities and areas of synergy. These can give some indication on areas which may result in consensus – where legislation can be passed quickly - as well as where conflict may arise in a new Parliament.

This is particularly true when thinking about the proposal from Labour for an Energy Independence Act.

If Labour wins, and wants to pass this quickly, it may well require cross-party support and consensus in the House of Commons - although these factors are reduced if there is a large majority.

Nonetheless, manifestos are also helpful to see where the parties sit on key issues and who could become advocates of particular policy.

Net zero: a dividing line between Labour and Conservatives

The Labour Party manifesto only mentioned net zero three times, the Conservative Party mentions it ten.

The Conservative Party celebrates the steps taken on **net zero** so far, but much rhetorical narrative in their manifesto is given to their “pragmatic” and “proportionate” approach.

Many manifesto policies and commitments fit this, including a commitment to new annual licensing rounds for **oil and gas production** from the North Sea and ensuring that green levies on household bills are lower. This goes some way to positioning them in opposition to Labour, who have ruled out new licenses for oil and gas in the North Sea.

The Labour manifesto also reinstates the phase-out date of 2030 for new cars with internal combustion engines, something that the Conservative Party pushed back to 2035. In contrast, Reform have called for the “**scrapping of net zero related subsidies**”, whilst the Liberal Democrats propose bring net zero forward to 2045.

The “**cost**” and **timeline for net zero** is likely to be a regular argument in the next parliament, with Conservative MPs holding Labour to account on policies that could increase prices or see the burden fall on consumers.

At the same time, net zero targets have been a dividing line within the Tory party itself. The vocal “net zero scrutiny group” led by Steve Baker (who is poised to lose his seat) and Craig Mackinlay (who left parliament after recovering from sepsis) stood in contrast to Chris Skidmore and the likes of Conservative Environment Network. However, all could change in a new parliament, with new MPs, and at least some of the defeated parties likely to seek new leadership and direction.

Energy market reform: synergy and conflicts

An area where the main parties are broadly aligned is the need to reform the energy market. All parties address energy markets in their manifestos.

On bills, Conservatives and Labour commit in the manifesto to reducing or reforming standing charges (a cost that is included in each electricity and gas bill. It is a cost set by your supplier).

The **role of local markets in energy** is also addressed by major parties. The Conservatives commit to “introducing more efficient local markets for electricity” and the Liberal Democrats to “eliminating unfair regional differences in domestic energy bills”. This shows general support for the aims of REMA – though through a varying degree of radicalism.

While not directly addressing it in its manifesto, facilitating and improving local flexibility markets is a priority for Labour. Labour have also committed to strengthening Ofgem and have also indicated giving more power to the FSO (NESO).

The Liberal Democrats have committed to “decoupling electricity prices from the wholesale gas price” in their manifesto. Again, while absent in Labour’s manifesto, the party has previously committed to “look at measures to **de-link the price of renewables** from gas” - but more likely through increased CfD rollout.

Evolution of reform vs radical reform will be a key thing to watch in a new administration. However, if the Liberal Democrat manifesto is anything to go by there may be a mandate for significant reform, while the Conservatives may take a more cautious approach.

Planning and communities: consensus and division

A key area of difference between the key parties is on planning and the role of communities.

Both main parties recognise the importance of community. However, the Conservatives focus on the importance of community “consent” for technologies, such as onshore wind.

The Conservative manifesto commits to a presumption towards agricultural land being used for food not solar power. In contrast, the Liberal Democrats specifically commit to “removing restrictions” and Labour have committed to publishing new **Policy Planning Statements**.

Labour’s focus on communities and energy is instead focused on their **Local Power Plan** – a plan to deploy more distributed production capacity and provide capital to local authorities and community energy projects.

The Liberal Democrats also outlined similar and significant proposals for the roles of **local authorities and communities** in delivering improved grid capacity and renewable deployment.

Given the consensus on the role of local communities in delivering a distributed energy system among Labour and Liberal Democrats, we could see this become a key part of future policy - even whilst Labour have committed to be ‘on the side of the builders not the blockers’.

Heating: local authorities and private sector will have a key role

There is broad alignment on the role of energy efficiency and heating, though the degree of radicalism differs throughout the parties.

The Liberal Democrats are the most radical. They have committed to reinstating requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028, while Labour have committed to this by 2030. This was something the Conservatives scrapped.

The Liberal Democrats have also committed to a **Home Energy Upgrade Programme** which goes as far to provide free insulation and heat pumps for low-income households – as well as a central role for local authorities.

Labour have announced a **Warm Homes Plan** with £6.6 billion over the next parliament. The plan involves partnering with combined authorities, local, and devolved governments to make grants and low interest loans available to support investment in insulation as well as solar panels, batteries and low carbon heating.

Labour have also committed to “working with banks and building societies, to provide further **private finance** to accelerate home upgrades and low carbon heating” – suggesting potential reform of green mortgages – something that Darren Jones has been looking into.

The Conservatives have been more vague, with a “voucher scheme” to support the installation of energy efficiency measures and solar panels, but have also committed **£6 billion over the next three years** to improve energy efficiency.

Target

Clean energy by 2030

Net zero by 2050

90% of the UK's electricity generated from renewables by 2030. Net zero by 2045

Zero-carbon more than a decade ahead of 2050

Major funding

£7.3 billion over the course of the next Parliament via the National Wealth Fund

Great British Energy with £8.3 billion, over the next parliament

Warm Homes Plan of £6.6 billion over the next parliament

Investing £1.1 billion in the Green Industries Growth Accelerator

£6 billion over the next three years to improve the energy efficiency of homes

£8.4 billion to tackle climate change and protect the natural environment

£40bn per year in the shift to a green economy

£30bn into R&D over the next five years

£29bn over the next five years to insulate homes

£16bn over the next five years for home heating measures

Tax

Close loopholes in windfall tax

Extend sunset clause in Energy Profits Levy

Increase the rate of the levy by 3%.

Remove “unjustifiably generous” investment allowances

Retain the Energy Security Investment Mechanism

Continuation of the windfall tax on oil and gas companies until 2028-29

A proper, one-off windfall tax on the super-profits of oil and gas producers and traders

Maintain the windfall tax on oil and gas companies

Introduce a carbon tax on all fossil fuel imports and domestic extraction

A new carbon tax on all businesses, starting at £120 a tonne and rising to £500 a tonne over 10 years

Market reform

Strengthen Ofgem, require higher standards of performance, and ensure there is automatic customer compensation for failure

*Outside the manifesto:
De-link the price of renewables from gas*

Equip FSO to take on the role of 'system architect'

Introduce more efficient local markets for electricity

Decoupling electricity prices from the wholesale gas price

Eliminating unfair regional differences in domestic energy bills

Nationalise the big five energy companies

**Bills
&
Tariffs**

Reduce standing charges

Give households the choice of smart energy tariffs

Ensure that green levies on household bills are lower

Rule out creating further green levies

Review and reform standing charges

Social tariff for the most vulnerable to provide targeted energy discounts for vulnerable households

Not applicable.

Planning

&

Grid

Update the National Planning Policy Statements and Nationally Significant Infrastructure Projects

Upgrade national transmission infrastructure and rewire Britain

Outside the manifesto:

Introduce new targets for consenting decisions for renewable projects

New net zero mandates, including in the planning system

Implement recommendations of the Winser review

Undertake a rapid review into the advantages of alternative network technologies compared to overhead pylons

More electricity links with neighbouring countries

Review Land and Sea Use Framework

Simplify grid connection for low-carbon producers

Reduce access fees for connecting renewable energy to the grid

More electricity interconnectors between the UK and other countries for security of supply

Reforming the energy network to permit local energy grids.

Empower authorities to develop local renewable generation & storage strategies

Mandate cooperation between large energy suppliers & community schemes

Guarantee fair share of wealth from local renewables for communities

New land use planning policy framework

Expand and improve the efficiency of the electricity grid

Communities to own their own energy sources

A minimum threshold of community ownership in all onshore sustainable energy infrastructure

Community ownership through greater access to government funding

The removal of regulatory barriers to community energy

Great British Energy to partner with energy companies, local authorities, and co-operatives to install thousands of clean power projects

Local Power Plan

Work with local leaders and devolved governments to ensure local people benefit directly from energy production

Ensure democratic consent from communities for onshore wind

**Community
Energy**

Renewables

Double onshore wind, triple solar power, and quadruple offshore wind by 2030.

Invest in carbon capture and storage, hydrogen, marine energy, and long-term energy storage.

*Outside the manifesto:
Overturn the Tory ban on cheap onshore wind in England*

Approve the next round of renewable projects in CfD auctioning

Require local authorities to proactively identify areas suitable for renewable generation

Planning presumption towards agricultural land being used for food not solar power, and seeking to avoid clustering

Treble offshore wind capacity

Provide a bonus, on top of contract payments that support offshore wind manufacturing in the most disadvantaged places in the UK

Supporting investment and innovation in tidal and wave power

Investing in energy storage, including green hydrogen, pumped storage and battery capability.

Removing the Conservatives' unnecessary restrictions to wind & solar

Expanding incentives for households to install solar panels, including a guaranteed fair price for electricity sold back into the grid

Increase solar capacity to 100GW by as soon as 2035

70% of power supply from wind by 2030, with goals to ramp up offshore wind capacity to 80GW, onshore wind to 53GW by 2035.

Oil & Gas

Maintain a strategic reserve of gas power stations.

Won't revoke existing offshore licences, but will not issue new ones

Will not grant new coal licences and will ban fracking for good

Build a new fleet of gas power stations to back up the grid.

Annual licensing rounds for oil and gas production from the North Sea

Maintaining the ban on fracking and introducing a ban on new coal mines.

Implementing the UK's G7 pledge to end fossil fuel subsidies

No new oil and gas licences and the ending of all subsidies to the oil and gas industries

Increase in the rate of the windfall tax on oil and gas production and the closing of existing loopholes and tax-relief

Nuclear

Ensure the long-term security of the sector, extending the lifetime of existing plants, and getting Hinkley Point C over the line

New nuclear power stations such as Sizewell C, and Small Modular Reactors

Rapidly expand nuclear power by approving two new fleets of Small Modular Reactors (SMRs) within the first 100 days of the next Parliament

A new gigawatt power plant for Wylfa in North Wales, with ongoing support for projects at Hinkley Point and Sizewell

Not applicable.

Phase-out of nuclear energy, which they deem unsafe and much more expensive than renewables

Heating & Buildings

A £6.6 billion over the next parliament

Work with the private sector, including banks and building societies, to provide further private finance to accelerate home upgrades and low carbon heating.

Ensure homes in the private rented sector meet minimum energy efficiency standards by 2030

Never to “force people to rip out their existing boiler and replace it with a heat pump”

A voucher scheme to support the installation of energy efficiency measures and solar panels

£6 billion over the next three years to improve the energy efficiency of homes

Making it easier for solar to be located on brownfield sites and on rooftops

Launching an emergency Home Energy Upgrade programme

Providing incentives for installing heat pumps

All new homes and non-domestic buildings to be built to a zero-carbon standard with solar panels

Requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028

Introducing a subsidised Energy-Saving Homes scheme

A local-authority-led, street-by-street retrofit programme to insulate homes, provide clean heat and start to adapt our buildings to more extreme climate conditions.

All new-built homes will be required to maximise the use of solar panels and heat pumps, or equivalent low carbon technologies

Green industry

Institutional framework to reflect commitments to reach net zero and meet our carbon budgets

Give the Bank of England due consideration to climate change in its mandates

Introduce carbon adjustment mechanism

Invest £1.1 billion into the Green Industries Growth Accelerator

Implement a new import carbon pricing mechanism by 2027

Implement a Carbon Border Adjustment Mechanism

Expand demand for low-carbon products and services through public procurement

Support zero-carbon industrial clusters

Regional mutual banks to be set up to drive investment in decarbonisation and local economic sustainability

£2bn per year in grant funding for local authorities to help businesses decarbonise

Green Skills

&

Supply Chains

Introduce a British Jobs Bonus

Allocate up to £500 million per year from 2026 to incentivise firms who offer good jobs, terms and conditions and build their manufacturing supply chains in our industrial heartlands, coastal areas, and energy communities

Provide a bonus, on top of contract payments that support offshore wind, to reward energy firms that invest in manufacturing in the most disadvantaged places in the UK

Investing in education and training to equip people with the skills needed for the low-carbon economy of the future

Working together with European neighbours to build a sustainable supply chain for renewable energy technology.

Partner with universities, research institutions

Equip ports and supply chains to better support floating offshore wind

Increasing the maximum contracts for difference strike price so that it more accurately reflects supply chain costs