

ENERGY BAROMETER 2018

Views on flagship government strategies

For government to measure the success of any policy or decide where policy priority should be given, evidence-based research provides useful insights. The Energy Institute's (EI) *Energy Barometer 2018* aims to provide just that; it gauges the views and opinions of more than 400 EI professionals on the biggest challenges and opportunities facing the energy sector. It is hoped that this year's *Energy Barometer*, launched on 19 June, will spark discussions between industry, policymakers and the public.

Energy policy

EI members view current energy policy as needing more focus and long-term direction, despite publication of the UK government's Industrial and Clean Growth Strategies in autumn 2017. When more detail about the implementation of measures in the Strategies are determined, this may be less of a concern for energy professionals. Interestingly, a third of respondents report that they are not aware of the specifics contained within the strategies; it seems there is a need for improved engagement around these major policy pieces.

As in 2017, EI members identify energy efficiency as one of their top policy priorities. Members also identify it as the most cost-effective measure to meet the 5th carbon budget and reduce emissions from shipping and aviation.

EI members are also positive about policies relating to developing low carbon transport, supporting emerging technology research and innovation, and renewable electricity. The former saw the biggest increase in positive perception this year (+12% in comparison to 2017), likely in part influenced by the announcement of the ban on sales of new petrol and diesel cars in the UK from 2040.

They are less positive about the effect of policy on reducing fuel poverty, despite announcements regarding an energy price cap for vulnerable consumers.

One year into Brexit negotiations, the concerns over its

Deane Somerville, Head of the EI Knowledge Service, summarises the opinions of energy professionals surveyed on topical energy issues in this year's *Energy Barometer* report.

impact on the energy industry seem not to have eased. Indeed, EI members' concerns have increased, seeing Brexit move up our list of the biggest challenges facing the UK energy sector – from fifth position in 2017 to second in 2018. However, respondents do see a silver lining in the form of potential opportunities for the UK energy industry arising from Brexit. They have identified several opportunities, including the ability to negotiate new trade agreements with non-EU countries, the flexibility to finance new electricity generating capacity, the flexibility to support new renewable heat and transport, and greater control over UK carbon pricing policy.

Decarbonising transport

Considering the transport sector now accounts for a larger share of greenhouse gas (GHG) emissions than power generation (according to the UK Department for Business, Energy and Industrial Strategy (BEIS), 2017), this year the *Barometer* deep-dives into the challenge of decarbonising the UK's transport system. UK energy policy around developing low carbon transport saw a surge in positive perception this year when compared with other areas of energy policy. EI members were asked about possible ways to advance decarbonisation in the sector.

Road transport accounts for 74% of overall UK transport energy consumption (BEIS *Energy consumption in the UK* data, 2017). Of this, 66% accounted for passenger transport and 34% for freight transport in 2015. The majority of EI members believe a transition to electric passenger vehicles is the most effective way to reduce emissions from passenger transport. In contrast, EI members

view shifting to rail as the best way to reduce freight-related emissions. Rail also received the strongest support amongst EI professionals for infrastructure investment for decarbonising the UK's transport system. Reducing emissions from the aviation and shipping industries are also explored in this year's report.

Diversity in the energy workforce

EI members were asked for their perceptions of the challenges and opportunities of diversity in the energy workforce for the first time this year. One of the top benefits of diversity identified by respondents was the ability to attract and retain staff, helping to address the issues around people and skills – particularly around skill shortages, was identified as one of the biggest challenges facing the UK energy industry in 2018.

The majority of EI Members identified a diverse workforce as important to the success of their company or the sector. In particular, a large majority of EI's Associate Members (AMEIs) – those in the first five years of their careers – see diversity as being very important or somewhat important (77%). This compares with a slightly reduced perceived importance (62%) among more senior members.

When asked about the key steps their company or sector have taken over the past five years to increase diversity, EI members cited the introduction or extension of flexible working opportunities, the introduction or improvement of family-friendly policies and a review of recruitment policies.

The 2018 *Energy Barometer* covers these and other challenges facing the energy sector in more detail, including climate change targets and the UK's place in the world. The report aims to fuel ongoing and meaningful engagement with policymakers, public, EI Branches and members, on the most important challenges facing the energy industry. ●

For the full report, media coverage and other EI policy engagement activities, visit knowledge.energyinst.org/barometer

