# Bryt Energy

# INSIGHT

Issue number: 8

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BrytEnergy

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Output and investment grow through the pandemic

## NEW MONEY AND PLANS FOR NET ZERO
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## WHAT MAKES A GOOD SUSTAINABILITY PROFESSIONAL?
The qualities and actions needed



# AUGUST IN SHORT

Welcome back to August's edition of Bryt Insight! It's been an exciting month here at Bryt, and we're delighted to announce our upcoming webinar series with Low Carbon SMEs. The series will aim to help businesses better understand and manage their electricity and you can register for the webinars, **here.**

Looking back at last month, we continued to support businesses on their sustainability journeys and, in total, helped them save almost 45,000 tonnes of $CO_2$ – that's the equivalent of filling Big Ben with $CO_2$ over 5,000 times!

If there are any topics you'd like covered in future issues, just let us know by getting in touch at **insight@brytenergy.co.uk**.

**Nick Lailey, Head of SME Sales, Bryt Energy**

# WHO ARE BRYT ENERGY?


Bryt Energy, part of the **Statkraft Group**, is a passionate, future-focused energy company, on a mission to take their community on a carbon-reducing journey. Bryt Energy's power is **zero carbon and 100% renewable**, using only **Wind, Hydro and Solar** energy sources to power British businesses.

Whether it be on-site generation, battery storage or optimisation controls, Bryt Energy are at the forefront of the **clean energy technology revolution** with solutions that maximise value from customer electricity supply contracts.

# LET US KNOW

Send your thoughts on topics you would like covered in future issues or any other suggestions to **insight@brytenergy.co.uk**.

## RISE OF RENEWABLES CONTINUES

Renewables are now the largest provider of power in the UK. Output from these plants has continued to grow in the face of falling demand, prompted by the national lockdown, making renewables the increasing choice for businesses.

**New record in the UK**

Wind energy increased by 35% and output from solar plants by 20% in the first five months of the year[1]. Initial figures show renewables increased to a 41% share of the market from March to May, when demand fell by 10%[1]. Renewables now provide more power than fossil fuel plants (39%) and, combined with nuclear, have taken the low carbon share of the electricity market to over 60%[1].

**Major progress in 2019**

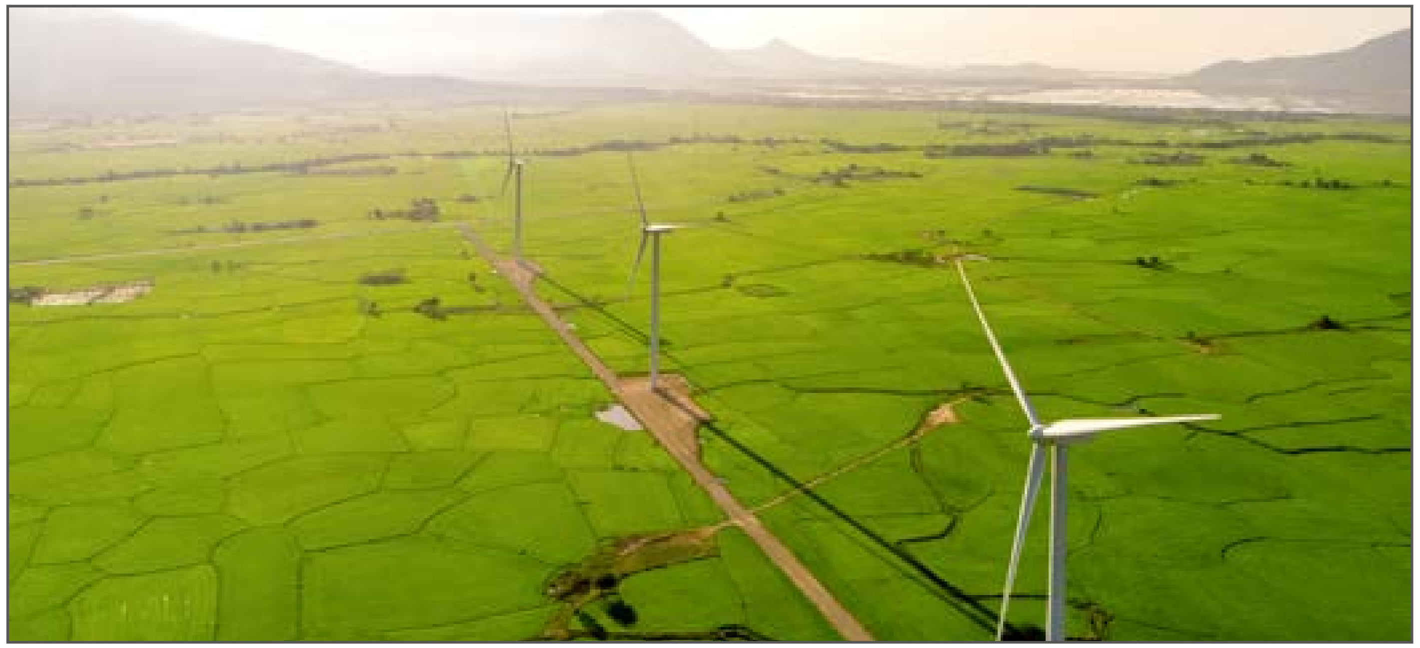
It is not only during the pandemic that renewables have grown. Final figures for last year show just how far and fast renewables have come. Wind and solar supplies increased by 11%, taking combined renewables output to 121TWh, resulting in a record market share for the year of 37%[2]. Plus, low carbon supplies reached a record of 54%! In contrast, fossil fuel generation reduced by 6% to 140TWh, the lowest figure for 20 years[2].

**Investment continues**

Investment in renewables worldwide continues to grow despite the pandemic. Bloomberg reports a 5% increase in overall renewables investment for the first six months of this year, and investment in offshore wind has more than tripled to reach $35 billion[3].

Plus, a new report claims unlocking on-shore development barriers in the UK could provide 45,000 new jobs, save customers £1.5 billion a year and provide a £28.9 billion boost to the economy by 2035[4]. In addition, the National Infrastructure Commission has just raised the future level it believes renewables could provide in light of their falling costs. The Commission now says renewables could be supplying 65% of our needs by 2030, as against its previous projection of 50%[5].

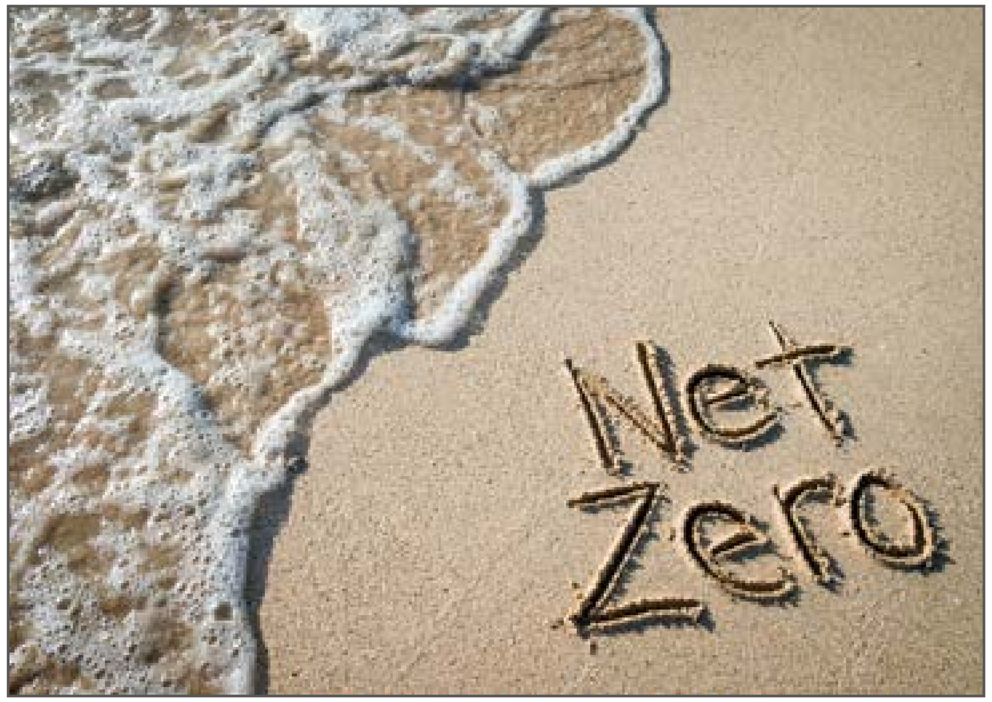
The rise in renewables is not only positive news for the environment, as the UK looks to reduce its emissions, but also makes financial sense, helping to generate more jobs and boost the economy along the way.



1. BEIS - Preliminary figures
2. BEIS - Final figures
3. Bloomberg NEF
4. Thrive Renewables
5. National Infrastructure Commission



## NEW MONEY AND PLANS FOR NET ZERO




The Government is making available £350 million for carbon reduction initiatives to be directed primarily to industry and construction[1].

Most of the money will go to supporting heavy industries convert from natural gas to hydrogen, scale up Carbon Capture, Usage and Storage (CCUS), and help industries develop new greener materials and technology. There are also more funds for automotive research and development, plus a Net Zero Council has been set up to explore new aircraft and engine technologies, as well as sustainable aviation fuels.

**CCA scheme approval**

In other good news, BEIS has confirmed a two-year extension to the Climate Change Agreement scheme, providing discounts from the Climate Change Levy for participating companies committing to improve energy efficiency[2].

Running until spring 2025, new entrants will also be able to join this popular scheme which covers 9,000 plants and has already saved more than 700,000 tonnes of greenhouse gas emissions[2]!

**Decarbonising Heat**

However, there's more work to be done. Responsible for over a third of the country's carbon emissions, heat, both in the workplace and at home, remains one of the hardest areas to tackle. The government is due to publish a Heat Roadmap this autumn and proposals are now coming forward for practical action from various sources.

Three pathways for tackling heat have been identified by the Net Zero Infrastructure Industry Commission in a new report[3]. Made up of representatives from ten key players, including National Grid, Catapult Energy Systems and Mott Macdonald, the Commission identifies:

- An electrification pathway leading to a doubling of UK electricity demand by 2050
- A hydrogen pathway with the majority of buildings using hydrogen heating systems by 2050
- A hybrid pathway with widespread deployment of hybrid heat pump systems, supported by boilers using biomethane at peak times.

**More power needed**

Whatever the outcome, demand for electricity will continue to grow as decarbonisation progresses. We will need to create 40GW of offshore wind and an additional 15GW of onshore wind and solar by 2030, according to Prospect[4]. The trade union is also calling for at least one operational tidal energy demonstration project and at least one CCUS scheme.

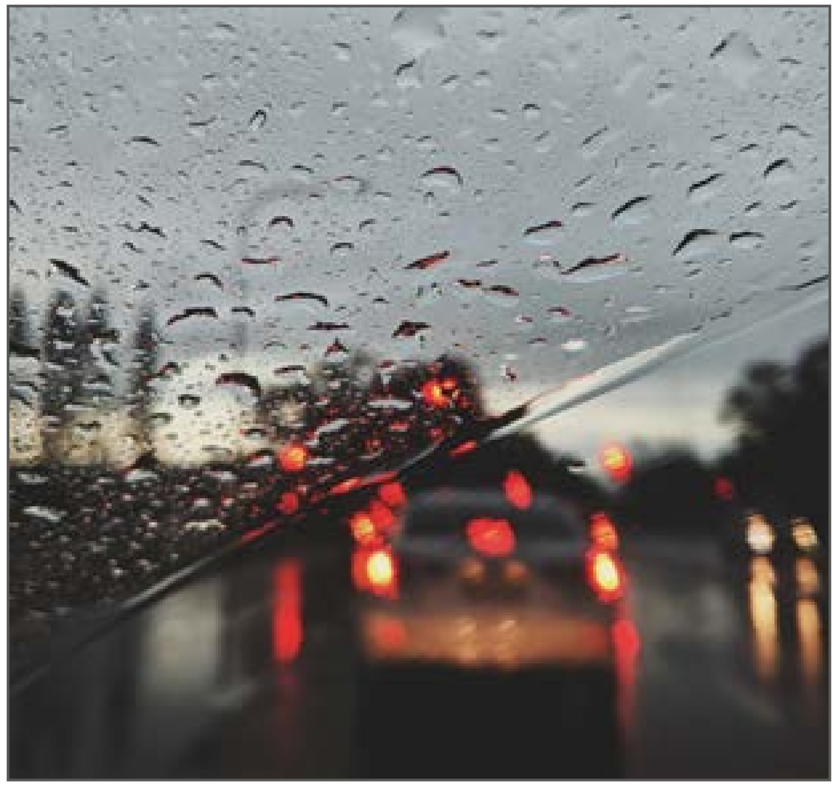
The scale of these proposals underlines how quickly and fundamentally we will continue to switch to low carbon electricity, in the hopes to meet net zero by 2050.

1. HMG - PM speech
2. HMG - CCA
3. Mott Macdonald
4. Prospect

## SALES SURGE FOR ELECTRIC VEHICLES

Electric vehicle sales stormed ahead in July, capturing a record 16% share of the market[1]. Battery Electric Vehicle (BEV) sales increased by over 250% compared with July 2019 and Plug-In Hybrids were up 320%. In contrast, diesel car sales fell by a quarter[1].

As 2022 is expected to be the tipping point when the cost of a BEV becomes comparable to its combustion engine counterpart, it may be that diesel and petrol car sales have already passed their peak[2].



**Business users call for new ban date**

Transport is responsible for over 25% of our greenhouse gas emissions and cars contribute 55% of domestic transport emissions[3]. Due to their environmental impact, the government is currently considering whether the ban on new diesel and petrol car and van sales, currently set for 2040, should be brought forward to 2035 or earlier.

A business group is now calling for all new car and van sales to be fully electric by 2030, except for a small number for which this may not be possible. The UK Electric Fleets Coalition includes 21 major businesses currently operating over 400,000 vans and cars throughout the UK[4]. The Coalition is also calling for:

- Each manufacturer to be mandated to produce an annually increasing proportion of BEVs
- Grants for new BEVs and charging points to be extended to 2022, when they should become competitive with conventional vehicles
- The roll out accelerated for charging points capable of using all payment systems

**A Cap and Trade scheme**

The think tank, Policy Exchange, believes manufacturers should be required to sell an increasing number of BEVs as a proportion of their total sales[5]. The proportions would rise from year to year and those failing to achieve their allocation would need to purchase credits from other manufacturers. The think tank argues that, without a comprehensive policy framework, the UK will not be able to ban new petrol and diesel cars and vans by 2035 or earlier.

**Implications for Business**

The economics are starting to move firmly towards BEVs and the pressure is on to bring forward the ban on new petrol and diesel sales. If your business has company cars or fleets, be sure to keep watch on the Chancellor's Autumn Statement, to see if any additional incentives for business purchases are included as part of his longer-term recovery plans.


1. Society of Motor Manufacturers and Traders
2. Deloitte
3. Department for Transport
4. The Climate Group
5. Policy Exchange




## THE CHALLENGE WITH PLASTICS IN THE OCEANS

Much more needs to be done to counteract plastic pollution at sea, which could amount to around 150 million tonnes already, according to a new report from the Pew Charitable Trusts[1].

About 11 million tonnes of plastic waste is entering the oceans every year, harming the marine life and environment. Unless current policies change, this figure could nearly triple by 2040 as plastic production capacity doubles[1].

Efforts by the government and industry so far are only expected to make marginal impact. As things stand, there's just a 7% reduction from the underlying predicted level for 2040[1]. Whilst businesses are focusing on recycling or on the safe disposal of plastic, greater efforts are needed to eliminate the use of plastic in the first place.

**The circular economy for plastic**

Pew believes the annual flow of plastic waste into the oceans could be reduced by about 80% by 2040[1]. This will require reducing plastic use, finding substitutes for plastics, improving recycling practices, expanding waste collection, and ensuring that disposal facilities prevent plastic leakage.

Adopting the circular economy for plastic will also reduce greenhouse gas emissions by 25%, generate savings of $200 billion a year, and create 700,000 additional jobs by 2040, according to the Ellen MacArthur Foundation[2]. A vision shared by over 850 organisations participating in the New Plastics Economy Global Commitment[3] and by the Plastics Pact Network[4].

**Microplastics in the Thames**

Meanwhile, the current state of the River Thames underlines the need for local, as well as global, action. London's river is now thought to have some of the highest levels of microplastics recorded in any of the world's rivers[5]. Plastic pollution is now seriously affecting the river's inhabitants and shoreline. The current use of plastic masks and gloves during the pandemic is causing particular concern.

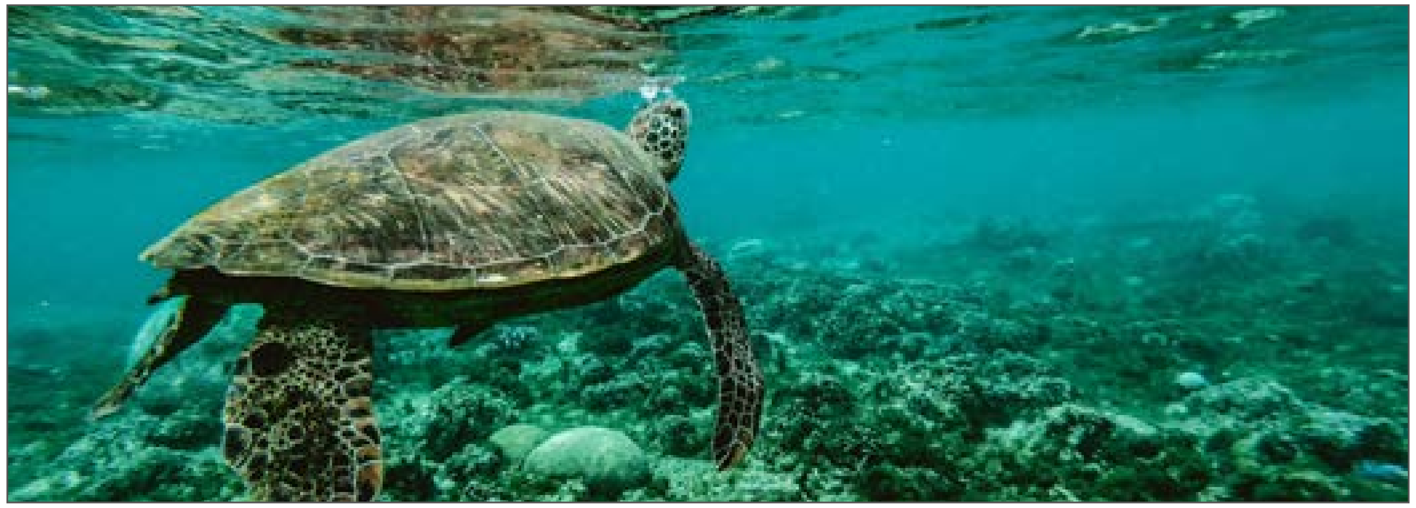
**Implications for Customers**

Improving the quality of our rivers and oceans is adding to the pressure on combatting plastic pollution.

The UK Plastics Pact Network has set a series of targets to be achieved by 2025[4]:

- 100% of plastic packaging to be reusable, recyclable or compostable
- 70% of plastic packaging effectively recycled or composted
- 30% average recycled content across all plastic packaging
- Eliminate problematic or single use plastic packaging

If you're looking to reduce your use of plastic or want to know more about how to get involved with this five-year plan, visit the Waste and Resource Action Programme, **here**[6].




1. Pew Charitable Trusts
2. Ellen MacArthur Foundation
3. New Plastics Economy Global Commitment
4. Plastics Pact
5. Royal Holloway University of London
6. WRAP

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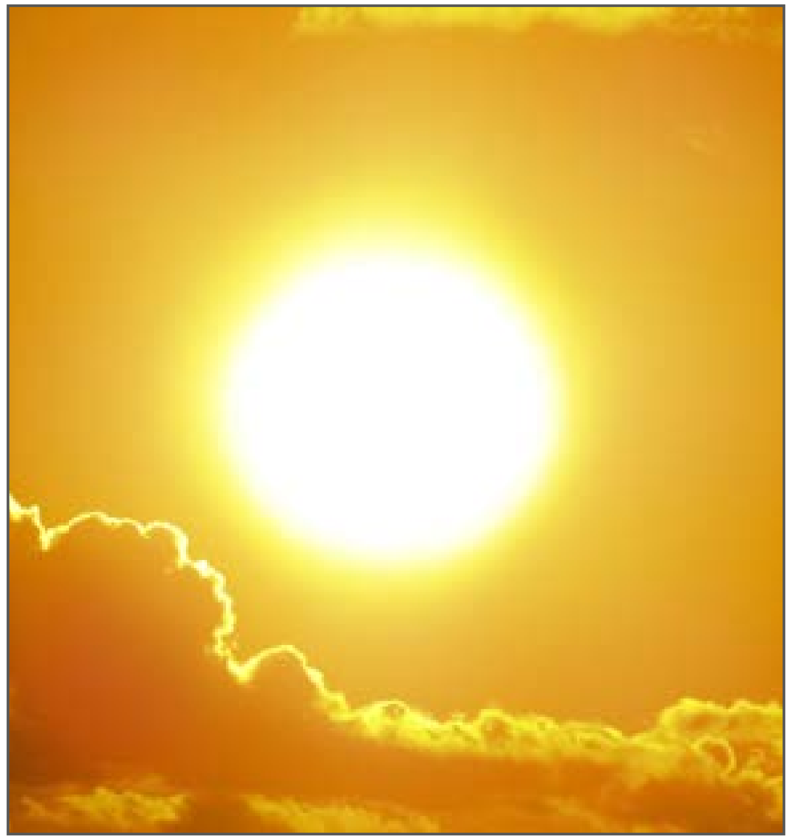
## FINANCE RESPONDS TO CONTINUING CLIMATE WARNINGS

Banks and financial institutions are now playing an increasing role in highlighting climate-related dangers from rising temperatures, and the investment opportunities provided by climate friendly businesses.



**Britain's weather gets hotter and wetter**

New temperature records were set in 2019 for both the summer (38.7°C) and winter (21.2°C)[1]. The average temperature for the year was 1.1°C higher than the average for 1961-1990 and we had 12% more rainfall[1].

And records have continued to be broken for our weather since the turn of the year. February 2020 was the wettest month ever recorded and the spring the sunniest ever[1].

**New global temperature predictions**

Until now, UN experts have been working on the principle that a doubling of atmospheric carbon dioxide from pre-industrial levels will give a 66% chance of global temperatures rising within the range of 1.5°C and 4.5°C. A new international study by 25 scientists has now narrowed this range to between 2.6°C and 3.9°C[2]. $CO_2$ in the atmosphere, at 417ppm (parts-per-million), is already well over half-way towards the 560ppm level for pre-industrial doubling[2].

**Financial institutions respond**

A group of more than a thousand companies and financial institutions are now reporting on governance, strategy, risk management and targets relating to climate change[3]. A helpful user guide to these climate-related financial disclosures has just been published and can be accessed **here**[4]. In addition, a new group has now been set up to report on the financial risks caused by global warming on nature, bio-diversity and habitat[5].

The London Stock Exchange's Green Economy Mark[6] is also gaining rapid interest. The Mark was launched last October to raise awareness on the investment opportunities offered by companies developing green products and services. It covers companies and funds listed on the Stock Exchange, which get more than half their revenues from green products and services. The Mark has now been awarded to 86 organisations with a combined market capitalisation of £67 billion. You can see the full list, **here**.

From rising temperatures to more volatile weather, it is clear there is an urgent need to cut carbon emissions if the UN target of keeping global warming to below 2°C and nearer 1.5°C is to be achieved. However, it is encouraging to see that many companies are not only beginning to address the risks of climate change, but are also benefiting financially for developing green products and services.

1. **The Met Office**
2. **World Climate Research Programme**
3. **Task Force on Climate-related Financial Disclosures**
4. **Institute and Faculty of Actuaries**
5. **Task Force on Nature-related Financial Disclosures**
6. **London Stock Exchange**



## WHAT MAKES A GOOD SUSTAINABILITY PROFESSIONAL?

Bravery is marked out in a new report as the quality most needed by today's sustainability professionals[1]. Bravery, it says, includes conviction, humility, imagination, integrity and passion.

Produced by the Charities Aid Foundation and Forster Communications, this interesting report draws together insights and inspirations from a range of sustainability leaders. It lists five actions sustainability leaders need to take:

- Create a movement
- Take personal risk
- Think big
- Make things happen
- Give ideas to others

The report highlights that sustainability leaders need access to the whole of the organisation and the ability to inspire and empower different audiences, from the boardroom to the shop floor, in order to break down resistance to change. The report also notes that the importance of social values needs to be recognised in the same way as financial values, and that sustainability should be placed on the same level as business strategy.

**Keeping up the pressure**

An interesting survey from the Climate Group covering 100 top sustainability professionals found that Covid-19 is not expected to derail the long-term sustainability strategies of key businesses[2]. Most are maintaining their climate actions in the face of the pandemic. But government recovery programmes must prioritise investing in decarbonisation and financial support should be directed to those cutting emissions.

The survey found:

- No change in companies' long-term sustainability strategy (97%)
- Climate change remains just as important to businesses as pre Covid-19 (96%)
- Climate change actions have been maintained (80%) but more supportive policies are needed from government (47%)
- Government recovery packages should invest first in decarbonisation measures (63%)
- Financial aid should be directed to organisations cutting greenhouse gas emissions and creating green jobs (59%)[2].

Directing support to those companies responding to the climate challenge is in line with a recent request from the Prince of Wales's Corporate Leaders Group and the Institutional Investors Group on Climate Change[3]. This called for government money to be focused on those sectors best placed to support sustainable development and directed to businesses that are using science-based strategies aligned to national climate goals[4].

These encouraging results from the Climate Group survey stand out in the face of the pandemic and resulting recession. Whether you're responsible for sustainability within your organisation or just take an interest, you might find that the **report** from Charities Aid Foundation and Forster Communications[1] contains some valuable insights for progressing sustainability in your organisation.

1. **CAF-Forster**
2. **The Climate Group**
3. **Corporate Leaders Group**
4. **Science-Based Targets**

# LEADING BRITAIN
# TO EMBRACE A LOW CARBON, SUSTAINABLE ENERGY FUTURE;
# MAKING A DIFFERENCE
# TO BUSINESSES, COMMUNITIES AND THE PLANET

SUPPLY

STORE

GENERATE

OPTIMISE

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Renewable Electricity EcoAct Assured 2019