Yesterday's Government announcement in respect of granting a license to extract natural gas from the Jackdaw field in the North Sea (along with the announcement of a new Energy Wealth Fund) is now dominating the headlines; but, ahead of both the Budget on 28th October and the shortly forthcoming 'Gas Winter Outlook' report from National Gas, it's worth reflecting on what was new for energy policy during the recent party political conferences.

Mood at the Labour Party conference was rather jubilant. A new media-savvy Prime Minister charming the faithful whilst Reform licked its wounds following the recent Channel 4 documentary exposing secret foreign donations. Even Kemi Badenoch managed to strike an upbeat tone at her Birmingham shindig until the Tory blunder over the cost of the country meeting Net Zero went viral.

However, this is far from party time for the energy sector.

The headlines were dominated by Burnham's support (actually announced pre-conference) for public ownership of electricity networks in the form of 'Great British Grid', but little else caught the eye.

To be fair, at such events, morale boosting statements of little substance are far more the norm rather than meaningful policy announcements. However, the sector is now left hoping for some certainty in the wake of the Budget at the same time as fearing the spending cuts which might ensue to help shore up the country's defences.

**Nuclear Family and New Exploration**

New SoS Miatta Fahnbulleh's speech focused largely on reducing energy costs to cut the cost of living, reflecting both her historic interests and the Prime Minister's primary focus. However, there was broad consensus across both Labour, Conservatives and Reform in relation to support for new nuclear and Small Moduler Reactors (SMRs). Only the Lib Dems failed to reiterate their support.

As expected, at conference, Labour was far more measured around new oil and gas exploration, with the Prime Minister citing a "pragmatic" approach, which some would agree has won-out following yesterday's decision on Jackdaw. The Tories and Reform had both come out firmly in favour of granting licences for Jackdaw (and Rosebank, for which a decision appears less clear-cut for the SoS), with Badenoch now questioning why Labour was "faffing about" for so long. Again, the Lib Dems had failed to make any meaningful comment.

© 2025 Progressive Energy Ltd. All rights reserved.
Progressive Energy Ltd, Swan House, Bonds Mill, Stonehouse GL10 3RF
Registered in England & Wales Company Registration No. 3620177 VAT number 771359511

**Net Zero Division**

Unsurprisingly, Labour and the Lib Dems championed the meeting of Net Zero via renewables and electrification. In contrast, a key conference theme from both the Tories and Reform was to denounce Labour's favoured trajectory toward Clean Power 2030, with the latter even holding an event titled "Let's get rid of Net Zero nonsense."

As ever, both opposition parties claimed that their position was based on Net Zero's additional costs to households and businesses, albeit the Tories have been studiously quiet following the aforementioned mathematical error. Meanwhile, Reform claimed that their approach would reduce household energy bills by £250 per year within the first 100 days of a Reform government. All to be achieved without either a credible short-term implementation plan (and any analysis of the adverse impacts of any such plan) or any long-term plan as to how such a cost reduction would be maintained.

**Reindustrialisation or Industrial Transformation?**

Perhaps the most important point of differentiation was that the Prime Minister framed the transition to Net Zero as an industrial strategy, not just a climate policy. The message was that decarbonisation should underpin economic renewal and regional regeneration. That we shouldn't make the same mistakes of the 80s when Tory economic policy decimated mining and industrial communities in both in South Wales and across the North of England.

The Labour position draws upon work by the Reindustrialisation Research Group (ReRG), a caucus of roughly 40 to 80 Labour MPs formed in July 2026. The Group advocates for heavier capital investment in production, resilient domestic supply chains, and protections for strategic industries like steel, refining, and manufacturing.

Given these industries have not yet completely vanished in places like Merseyside, the Humber and Teesside, the message should probably be more about 'industrial transformation' than reindustrialisation. But either way, this is a laudable goal.

**A need to be bold (and honest)**

As our new Prime Minister has already said many times since he came to power; now is the time to be bold and have an honest conversation with the electorate. Well, this goes for energy as well as for defence and Brexit.

The benefits of Clean Power 2030 and industrial transformation are there for the UK to realise, but to deliver these improvements, along with our energy security, the following package of measures is required:

- Following-up on initial support for carbon capture and storage (CCS) to fill the North West and North East systems already under construction, as well as unlock follow-on

© 2025 Progressive Energy Ltd. All rights reserved.

industrial clusters such as Peak / Morecambe Net Zero. This would directly support industrial transformation and bring about economic growth by handing competitive advantage to UK manufacturers across our foundation industries;

- A clear roadmap and set of commitments relating to hydrogen production, transport and storage. This is needed to support a fledgling (but now wilting) industry, for which a new strategy was promised in Autumn 2025. Fully functioning hydrogen networks have the potential to not only materially reduce reliance on imported gas but can materially alleviate constraints on the power system by 'soaking up' otherwise curtailed power from offshore wind;
- New mechanisms to bring new flexible, enduring power generation to market; including both the much-awaited hydrogen to power (H2P) Business Model alongside a reformed Capacity Market. Unfortunately, the opportunity to put in place a new 'Multiple Price' Capacity Market was recently missed. However, given the recent Eversheds' 'Whistleblower' report relating to the events of 23rd June, along with the Electricity Market Notice of 5-6th October - the first ever to come before getting anywhere near winter peak demand - these developments are critical;
- As was called for last week in a report from the House of Commons Energy Security and Net Zero Committee, a braver approach to electricity price-setting is needed. This would decouple the wholesale price of electricity (and that paid by households and businesses) from the marginal unit of power generation, which has historically usually been natural gas. As renewables further dominate our power system, price-setting will naturally become less linked to gas generation, but deeper action is needed on this now to help bring down the cost of bills for both families and businesses.

Over to you, then, Mr Burnham.

© 2025 Progressive Energy Ltd. All rights reserved.
Progressive Energy Ltd, Swan House, Bonds Mill, Stonehouse GL10 3RF
Registered in England & Wales Company Registration No. 3620177 VAT number 771359511