

Funding a low-carbon energy system

There is widespread public support for transition to a low-carbon energy system, but it requires trust in commitment and transparency from energy companies and government.

About the research

The UK government has committed to reduce greenhouse gas emissions by 80% by 2050 relative to 1990 levels, with further ambition towards net-zero emissions under the 2015 Paris Agreement. This will require a large shift in the UK's energy system, and is likely to be largely paid for by the public – either from taxation or directly through energy bills.

Research from the UKRI-funded UK Energy Research Centre has explored public attitudes to paying for a transition to low-carbon energy. The results highlight widespread public support for a low-carbon energy system. However, there is little trust that government and energy companies are clearly committed to energy system change; this trust has gradually been eroded over several years. Addressing the issues of distrust will be crucial to gain broad public engagement and consent for a low-carbon energy transition.

Key findings

- There is widespread public support for transition to a low-carbon, reliable and affordable energy system.
- The British public sees energy companies and government as primarily responsible for paying for energy transitions, because they are perceived to have the money and power to drive major change.

- Although the public feel they are paying over the odds already, people are willing to accept some personal cost on their bills (9-13%) to fund the sustainable energy transition – but this depends on reciprocal commitment and transparency from energy companies and government.
- There is considerable public distrust in companies (seen as driven primarily by profit motives, interfering with commitments to energy transition goals) and government (seen as too closely connected to the energy industry, leading to inadequate and ineffective regulation).
- People's perceptions of public responsibility for energy transition costs are linked to concerns particularly about procedural justice (such as having a voice and being treated with respect in the process) and distributive justice (sharing costs fairly between the public and companies, and lower energy prices for low-income households). Personal financial circumstances are less likely to influence their perception of public responsibility.
- If issues concerning transparency, perceived collusion and unfair distribution of costs are not addressed, any increased financial burden on the public may result in further distrust and public opposition.

Policy recommendations

- To harness public support, government and the energy industry needs to demonstrate strong and clear commitment to low-carbon energy system change.
- Greater transparency and accountability is needed – clearer information on energy costs (for example tariffs and energy bills), but also greater transparency of wider decision-making and practices to finance energy transitions.
- Greater clarity and justification for how public contributions are spent by government and energy companies (especially concerning profits).
- Innovative thinking on how to distribute current and future costs in a fair manner across society; for example, distributing costs according to the greatest ability to pay.
- Finding ways to credibly show that energy companies are not driven by profits alone; for instance, regulation that requires energy companies to financially contribute to, and be visibly involved in low-carbon energy system change.
- Robust and consistent evidence of clearer separation between government and the energy industry – so regulation can be seen as credible.

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FURTHER INFORMATION

Research from the UKRI-funded UK Energy Research Centre explores the views of the British public on how the transition to a low-carbon energy system should be financed, drawing on a 2016 survey of 3,150 respondents and focus groups in four locations across Great Britain.

Christina Demski, Nick Pidgeon, Darrick Evensen, Sarah Becker: *Paying for energy transitions: public perspectives and acceptability* (UKERC Policy Briefing)

Web: www.ukerc.ac.uk/publications/paying-for-energy-transitions.html

The UK Energy Research Centre (UKERC) carries out world-class research into sustainable future energy systems, informing UK policy development and strategies of public, private and third sector organisations. UKERC is part-funded by ESRC through the UK Research and Innovation Energy Programme.

Web: www.ukerc.ac.uk

Contact:

Dr Christina Demski, Cardiff University
Email: demskicc@cardiff.ac.uk

The views expressed in this evidence briefing are those of the authors and not necessarily those of the ESRC.

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Web: esrc.ukri.org

Email: comms@esrc.ukri.org

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