

Major firms work together to drive regional green investment

Four of Britain's biggest firms are working together to advise on pilot projects to drive green investment into local areas, and promote economic growth.

16 November 2022 - As part of the Prime Minister's Business Council, the leaders of Lloyds Banking Group, Octopus Energy, Shell and National Grid have launched the Local Low Carbon Accelerator (LLCA) project to provide a blueprint for local authorities and the private sector to work together and get green infrastructure delivered faster.

Localised green infrastructure projects are key in the road to Net Zero¹, given the focus on the decarbonisation of local transport and homes and buildings. In communities these projects can help build energy independence, improve air quality, reduce carbon emissions and deliver jobs and growth. However, successful localised projects often lack scalability – something which the LLCA wants to change.

To unlock the potential of such projects so the private sector can invest, uncertainties need to be addressed over infrastructure demand, technology risks and difficulties identifying the right business models. This is a once in a lifetime change in the housing, transport and energy systems of communities across the country – and it requires a step change in the way that local and regional governments work with the private sector to deliver it.

The four major firms are advising on projects to insulate homes, rollout zero emission buses and get electric vehicle charge points installed. They aim to develop simple models that are commercially viable, so other areas can get projects underway swiftly and at scale and yesterday [15 November] they published a report for Whitehall policymakers with their initial findings and recommendations.

The three pilot projects the firms are advising on:

- In **Leeds**, a new retrofit model is being developed that will enable homeowners to benefit from a streamlined and trusted customer journey that provides access to alternative funding sources.
- In **Liverpool**, the accelerator programme is working with the combined authority to develop finance models for a zero emission bus franchising model. Investment is currently hindered by the high upfront cost and the uncertainty about new technology.
- In the **West Midlands**, the firms are working with the combined authority as they develop their strategy for investing in infrastructure for zero emission vehicles.

Many areas are struggling to deliver green solutions at scale, and the members of the accelerator project are providing experts on finance, energy and delivery to unlock investments.

Lloyds Banking Group Chief Executive Charlie Nunn, speaking on behalf of the Local Low Carbon Accelerator project, said:

“We face an urgent challenge to decarbonise our economy and deliver growth, and that is why we have come together to help authorities invest in the infrastructure of tomorrow.

“The three pilot projects we are working on show how the public and private sectors can partner to insulate homes and decarbonise our transport systems.

“We are committed to working together with local and national government, and creating simple investment models so communities everywhere can see the benefits of green investment as we drive towards Net Zero.”

¹ The UK's plans to reach net zero by 2050.

In a set of recommendations published in yesterday's report, the firms say:

- Government should help authorities set up "special purpose vehicles" to undertake the required projects.
- There should be expert support available for authorities to share information and knowledge.
- Government should further develop regulation in the years ahead to encourage consumers to improve energy efficiency.
- Increase the role of the UK Infrastructure Bank in securing private financing for projects at scale, reducing the risk to the private sector and making it easier for them to agree lending will be vital.
- The Apprenticeship Levy should be reformed so it is more flexible, enabling people to be trained in skills specific to critical green infrastructure technology.

- ENDS -

Notes to Editors

About the Local Low Carbon Accelerator:

Four members of the Prime Minister's Business Council – Lloyds Banking Group, Octopus Energy, Shell and National Grid – formed the LLCA to demonstrate how the private sector could collaborate with local Government to accelerate the local transition to Net Zero while maximising public value for money.

About Lloyds Banking Group:

Lloyds Banking Group is committed to reducing carbon emissions we finance to net zero by 2050 or sooner. Enabling the transition to a low carbon, more sustainable and inclusive future for people and businesses is key to delivering on our purpose.

We are joining up all parts of our business to accelerate the transition to a lower carbon future, prioritising the following areas: the energy transition, low carbon transport, greening the build environment, sustainable farming and natural capital and sustainable investments and pensions.

About Octopus Energy Group:

Octopus Energy Group is a global energy tech pioneer, launched in 2016 to use technology to unlock a customer focused and affordable green energy revolution. It is part of Octopus Group, which is a certified BCorp. With operations in 14 countries, Octopus Energy Group's mission is going global.

Octopus's domestic energy arm already serves 3.4 million customers with cheaper greener power, through Octopus Energy, M&S Energy, Affect Energy, Ebico, London Power and Co-op Energy. Octopus Electric Vehicles is helping make clean transport cheaper and easier, and Octopus Energy Services is bringing smart products to thousands of homes. Octopus Energy Generation is one of Europe's largest investors in renewable energy, managing a £4bn portfolio of renewable energy assets throughout the continent.

About Shell UK:

Shell has played a vital role in powering the UK's industry, transport systems and homes since the founding of Shell Transport and Trading over 120 years ago. We began as a small trading company in London, importing seashells to cater for the growing trend of using shells in interior design. Today, we are one of the world's largest independent energy companies, operating in more than 70 countries. Central to our success for more than a century has been our ability to innovate and adapt to changing customer needs. This same spirit of innovation will be just as important over the course of the coming decades, as the UK seeks to make the move towards a low carbon energy system. Our

aim is to thrive through this energy transition by reshaping our organisation to provide the mix of lower carbon products that our customers will need in the future, while continuing to supply the oil and gas that society needs today and for years to come.

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. “Shell” is used for references to Shell plc and its subsidiaries in general.

About National Grid:

National Grid is one of the largest listed utility companies in the world, serving millions of people across the UK and the US. We are committed to decarbonising the energy system as part of a clean, fair, and affordable transition that leaves no-one behind.

In the US, we are transforming electricity and natural gas networks in New York and Massachusetts with smarter, cleaner, and more resilient energy solutions to meet the goal of reducing greenhouse gas emissions, and are focused on building a path to a more affordable, reliable clean energy future through our [fossil-free vision](#).

In the UK, we’re working to deliver net zero at pace; safely and reliably operating the transmission network while innovating at speed to ensure the UK can meet ambitious climate goals. Our networks comprise approximately 7,200 kilometres of overhead line, 1,500 kilometres of underground cable and 342 substations.

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