



Powering the Government's Growth Agenda: Renewable Energy and Circular Economy Opportunities for the Prime Minister's First 100 Days

The Prime Minister's first 100 days should be defined by bold ambitions. Alongside plans for a more **devolved, productive state and a renewed industrial strategy**, the government must deliver a Clean Energy System and Circular Economy, in turn delivering greater energy security, affordability, economic growth and the industrial opportunities presented by the AI revolution. While the detail of policy reforms and ministerial responsibilities is still emerging, the direction of travel our country needs is clear.

Renewable energy and the circular economy are integral to the successful delivery of the government's ambitions. There is **no single technology that will deliver the energy transition**. Achieving economic growth, energy security and net zero will require a diverse portfolio of renewable and clean technologies working together. They can strengthen energy and resource security, reduce bills, support regional growth, create skilled jobs, generate social value, accelerate AI-enabled investment and provide the foundation for a modern industrial strategy, while keeping the UK on track to decarbonise its economy. This is a pivotal opportunity to **align economic renewal with the energy transition and the goal to electrify the UK economy by 2035**.

Drawing on the REA's 25 years of policy experience, this briefing identifies four areas where early action on renewable energy could have the greatest impact: devolved decision-making, industrial strategy, funding the transition, and AI and digital infrastructure and six quick wins that will unlock investment, accelerate renewable energy deployment and turn the clean energy transition into a driver of growth across Britain.

Quick wins

Launch the Circular Economy Growth Plan to align national targets with local delivery, including Local Area Energy Plans, unlocking investment in resource efficiency. This will support low-carbon agriculture, reduce fertiliser costs, lower council spending and create new local economic opportunities.

Publish a rolling timetable and budget for future CfD allocation rounds (AR8 onwards) to provide long-term investment certainty, alongside transitional support for assets reaching the end of Renewable Obligation contracts, including through Wholesale CfDs, and a successor to the Green Gas Support Scheme and full inclusion of biomethane in the Emissions Trading Scheme.

Implement a plan to reduce grid connection delays, accelerate strategic transmission and distribution investment, and support the deployment of flexibility technologies, including batteries, storage and smarter grid solutions, to integrate new generation and growing demand including data centres.

Introduce a roadmap for clean and flexible data centres that prioritises facilities committing to long-term PPAs with renewable energy generators, co-location with renewables and storage, heat reuse and demand flexibility, ensuring new demand accelerates rather than constrains the energy transition.

Reinstate the ZEV Mandate to maintain ambition on transport electrification by providing certainty for manufacturers, accelerate EV deployment and support the wider electrification of transport, reducing oil dependence and delivering long-term consumer savings.

Implement proposals to rebalance policy costs away from electricity bills and accelerate electricity market reform by decoupling electricity prices from volatile gas markets, ensuring consumers benefit from cheaper domestic renewable energy. Remove policy costs from energy bills.

1. 'Manchesterism'

The Prime Minister has made greater devolution and place-based growth a defining feature of his approach to government. Localism (or what has been called "**Manchesterism**") presents a significant opportunity to ensure the economic benefits of the energy transition are shared more fairly across the UK, aligning regional growth with investment in renewable energy and the circular economy. With much of the UK's renewable energy generation, grid infrastructure and circular economy investment located outside London, and [REA analysis](#) showing the sector already supports more than 145,000 jobs across the UK, greater local leadership can unlock investment, accelerate delivery and ensure communities benefit from the transition. To realise this opportunity, Government should:

Designate **Local Area Energy Plans** as the foundation of regional growth strategies, bringing together electricity networks, heat decarbonisation, industrial clusters, transport, data centres, storage and renewable generation within a single place-based framework. **Resource planning authorities and environmental regulators** to accelerate planning and consenting while maintaining high environmental standards. Publish and resource the **Circular Economy Growth Plan** to align national circularity targets with local delivery, supporting local reuse, high-quality organic waste recycling, low-carbon agriculture and reducing exposure to fertiliser price shocks. Partner with local communities by building on the findings of [Watt Communities Want](#) and fund local authorities to **deliver education and engagement**, including the rollout of [Simpler Recycling](#), to improve participation, reduce contamination and ensure communities share in the economic and environmental benefits of the transition.

2. Electrification and industrial competitiveness

Delivering the Industrial Strategy will require faster electrification across industry, transport and heat, powered by renewable energy wherever possible. Affordable clean electricity will be central to competitiveness, but meeting demand securely will require more than wind and solar alone. A resilient energy system will need a broader mix of technologies, including **bioenergy and geothermal**, to provide firm power, make use of existing infrastructure and support sectors

where direct electrification remains challenging. Realising the benefits of industrial electrification will require the wider energy system and supporting infrastructure to keep pace. To deliver this, Government should:

Publish a rolling timetable and budget for future **CfD allocation rounds (AR8 onwards)** to provide investment certainty and deliver the renewable generation needed for Clean Power 2030 and industrial electrification. Ensure future support mechanisms include diverse mix of technologies including support for assets approaching the end of **Renewable Obligation contracts**, urgent action on landfill gas and a successor to the **Green Gas Support Scheme** and full recognition of biomethane within the UK Emissions Trading Scheme. Maintain momentum on **carbon capture and storage** by funding the Power BECCS business model and supporting CO₂ transport infrastructure, including non-pipeline solutions. Publish a plan to reduce **grid connection delays**, accelerate strategic transmission and distribution investment, and support the deployment of flexibility technologies, including batteries, storage and smarter grid solutions, to integrate new generation and growing demand, reducing constraint costs.

3. Harnessing the power of data centres and AI for clean growth

The growth of AI and data centres will be a defining feature of the next phase of industrial policy, creating significant new demand for electricity and infrastructure. If planned strategically, this demand can [support renewable investment](#), justify grid upgrades and drive regional growth. Data centres can align closely with a localist approach by creating new economic opportunities outside London - for example, Apatura's Ravenscraig campus is projected to boost Scotland's annual GDP by 0.4% and create nearly 2,400 long-term jobs, while Slough's data centre cluster supports around 14,000 jobs and significant local economic value. To align digital growth with the energy transition, Government should:

Publish a clear plan for **clean and flexible data centres**. If the UK is to remain competitive in both digital infrastructure and renewable integration, Government should support domestic data centres powered by clean energy, with new developments aligned with Local Area Energy Plans, grid investment, renewable generation and wider industrial strategy priorities. The framework should prioritise data centres that commit to long-term **PPAs with renewable energy generators**, co-location with renewables and storage, **heat reuse and demand flexibility**, ensuring new demand accelerates rather than constrains the energy transition. Accelerate infrastructure delivery by treating data centre growth as a driver for strategic investment in networks, generation and flexibility, with planning and connections processes able to support regional growth.

4. Delivering an affordable and inclusive energy transition

The success of the energy transition will depend on whether consumers see clear benefits. With cost-of-living pressures remaining a priority, Government must ensure electrification delivers value for money, reduces exposure to volatile fossil fuel prices and enables households and businesses to access cheaper, cleaner technologies. This requires reforming energy costs, targeted support for those who need it most and creating the right incentives for consumers to

participate through technologies such as solar, batteries, heat pumps and smart charging. To make the energy transition more affordable and accessible, Government should:

Implement proposals to rebalance policy costs away from electricity bills and accelerate electricity market reform by decoupling electricity prices from volatile gas markets, ensuring consumers benefit from cheaper domestic renewable energy. Deliver an ambitious **Warm Homes Plan** by providing upfront support for renewable energy, energy efficiency and low-carbon heating, including air and ground source heat pumps, and using models such as **salary sacrifice schemes** to overcome upfront cost barriers. Maintain ambition on electric vehicles through the **ZEV Mandate**, supporting investment, reducing reliance on imported oil and delivering lower running costs, while addressing barriers to EV uptake in rented and multi-occupancy buildings.

Strengthen consumer protections, as trusted standards, independent consumer codes and effective redress will be critical to building confidence and delivering the scale of uptake required. The **Warm Homes Agency** and new initiatives, including **future home energy upgrades** and **Plug-in Solar**, should work with organisations like the [REAL](#) with a proven track record in consumer protection to deliver a GAP approach - Gateway protection, Audit and assurance, and Peace of Mind - preventing poor practice and non-compliant businesses from undermining the market, monitoring emerging risks and ensuring consumers are supported and protected when things go wrong.

About the REA

The Renewable Energy Association (REA) is a not-for-profit trade association representing British renewable energy producers and clean technology companies for the past 25 years, promoting the role of renewable energy in the UK. With around 400 corporate members, the REA is one of the UK's largest energy trade associations. Members represent over 200,000 jobs and contribute more than £50bn to the UK economy, giving REA a comprehensive view of the renewables sector. More information is available at www.r-e-a.net.

Part of the REA Group, REA's wholly owned subsidiary founded 20 years ago, [Renewable Energy Assurance Ltd](#) (REAL), operates eight market schemes supporting the deployment of renewable energy and growing the circular economy. These schemes have helped establish industry standards, best practice, promote ethical business conduct, and give consumers confidence in their choices. With around 6,000 members, REAL plays a crucial role in creating a more sustainable, transparent, and trustworthy industry marketplace.

The REA represents a broad range of renewable and low-carbon technologies across power, heat, transport and circular bioresources, all of which have an important role to play in delivering net zero, strengthening energy security and supporting economic growth. **The recommendations set out in this briefing reflect practical solutions informed by REA members' experience of delivering the energy transition. We would welcome the opportunity to discuss these proposals further and work with Government to help translate ambition into delivery.**