ofgem Making a positive difference for energy consumers

Overarching Working Group – Meeting 9

9 September 2020

OFG1161

Greater Manchester decarbonisation pathway

Overarching working group meeting 9 Sep

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Introduction and context

Strong Ambition

- Greater Manchester Combined Authority (GMCA) has set itself an **ambitious target** of becoming fully decarbonised by 2038, 12 years ahead of the national target of 2050.
- It has set a carbon budget of **91m tCO2e** remaining before 2038

Need for Action

- Reaching its target will require GMCA to trigger **monumental changes across all sections of society**.
- Triggering these changes **needs to start now**
- Given the limited timeframe, there is no time to hit Undo and Redo . GMCA needs to get it right the first time.

Solid Foundation

- GMCA, as the governing body for the 10 districts making up Greater Manchester (GM), has already invested substantially in **research and strategy development** for meeting its carbon-neutrality goal.

Role of Grid Companies

- Cadent Gas and ENWL are operators of **critical energy infrastructure and knowledge partners** for GMCA.
- Create a common view on how to reach carbon-neutrality by 2038

Comprehensive Pathway

- Cadent and ENWL have engaged with Navigant, a Guidehouse company, to develop a **balanced** scenario and decarbonisation pathway to 2038 for Greater Manchester, based on Navigant's work leading to ENA's *Pathways to Net Zero* report.
- There is still large uncertainty on how **heat decarbonisation** will be delivered and therefore we have based our approach on the most likely outcome based on our experience and understanding of latest thinking.

GREATER MANCHESTER DECARBONISATION PATHWAY TO 2038

Three tracks fuelled by **seven priority actions** for the Greater Manchester Combined Authority to start **transforming the energy demand and supply** now

Kickstarting the transition

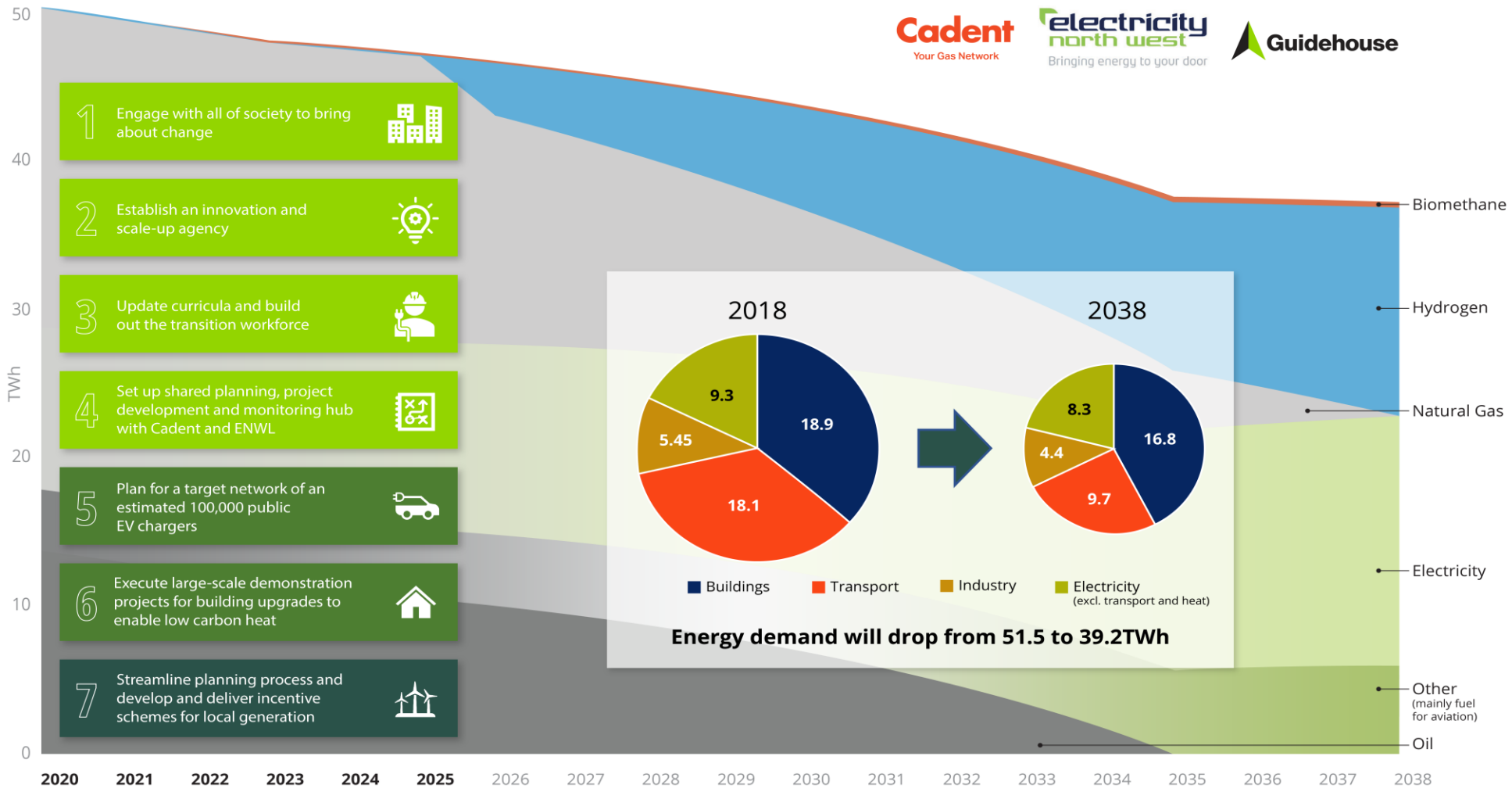
Create a shared sense of purpose, policy framework, detailed planning and upscaling abilities to fulfil the ambition.

Transforming the demand base

Decarbonise across all sectors by switching to hydrogen, green electricity and biofuels.

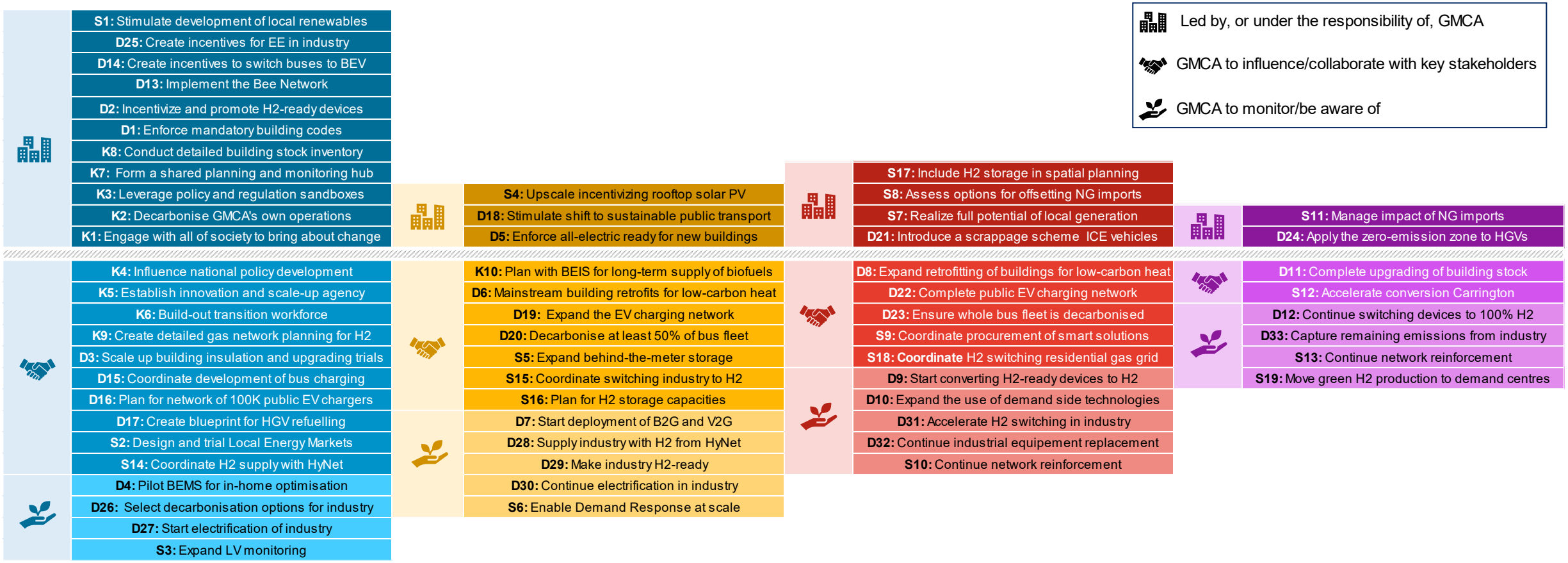
Securing low-carbon supply

Meet low-carbon demand through more local generation and distribution of clean energy.



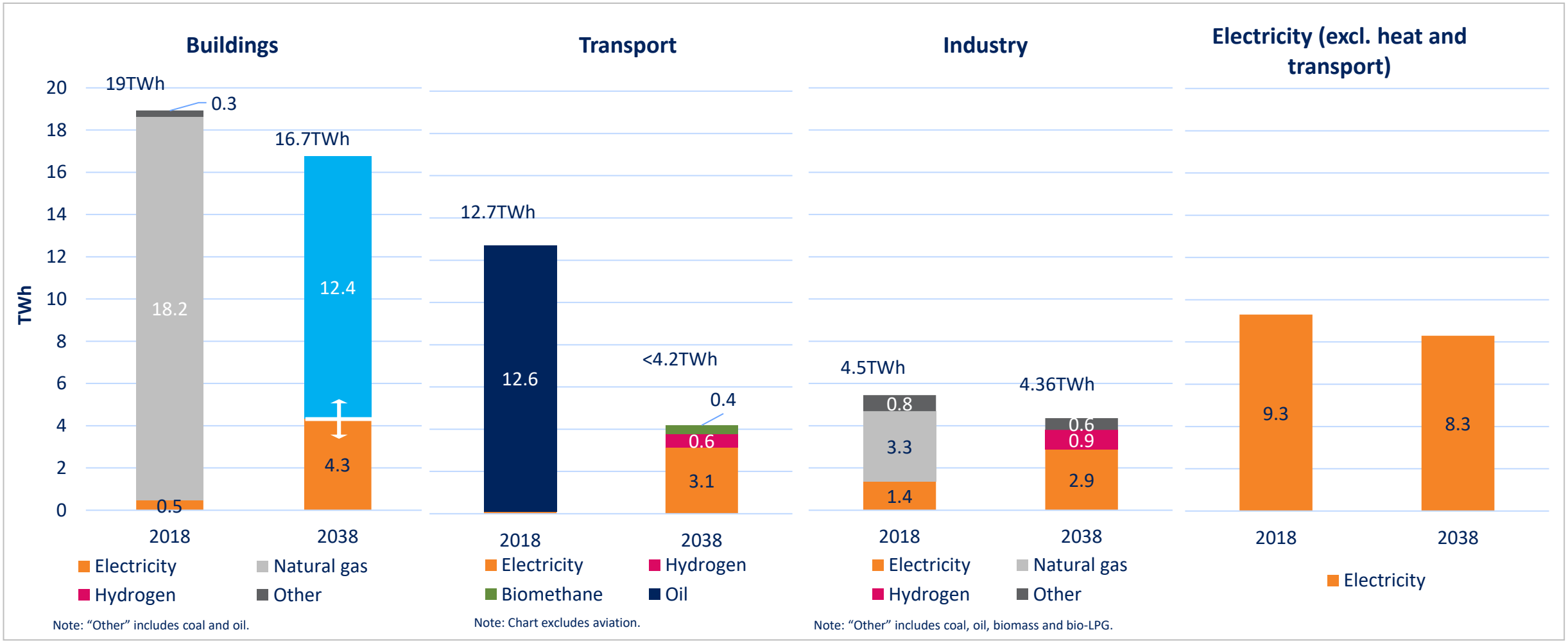
62 actions for GMCA and its key stakeholders make up the Pathway

Pathway actions illustrate the need to act now to achieve the 2038 decarbonisation target



*) Descriptions of pathway actions have been shortened. See full report for more details.

Evolution of demand - overview



Note: "Other" includes coal and oil.

Note: Chart excludes aviation.

Note: "Other" includes coal, oil, biomass and bio-LPG.

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Areas of overlap between OAWG and Cost Assessment WG

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CAWG forward work plan

Date	Working Group	Proposed Agenda
3rd September	CAWG	1) SSMC clarifications and options discussions 2) RPEs and OE 3) DD clarifications and learning
15th September	CAWG - CBA	1) Interactions (ED2 core/CNAIM/WS1a) 2) Parameters 3) Probabilities 4)When to produce CBAs
1st October	CAWG	1) Post-DDs discussions 2) Uncertainty Mechanisms 3) Forecasting & Scenarios 4) Any other issues
22nd October	CAWG	1) Totex models 2) Data (RIGs returns and findings) 3) Interaction with BPDT
3rd November	CAWG - CBA	1) Parameters 2) Probabilities
19th November	CAWG	1) Middle models 2) Disaggregated models

- Currently under review

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- **working with Government, industry and consumer groups to deliver a net zero economy at the lowest cost to consumers.**
- **stamping out sharp and bad practice, ensuring fair treatment for all consumers, especially the vulnerable.**
- **enabling competition and innovation, which drives down prices and results in new products and services for consumers.**

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