

United Kingdom

79%

of senior executives say geopolitical instability has made electrifying more urgent

Electrification is seen as a key means of delinking energy prices from volatility in international energy markets, with executives overwhelmingly saying that electrifying their operations would cause their fossil fuel import reliance (87%) and their long-term operating costs (82%) to fall.

What Business Needs

Business wants a faster roll-out of electrification so as to increase price stability, as well as achieve the lower overall energy bill costs that 78% of executives link to electrifying their operations.

Policy Context

The United Kingdom's (UK) formal energy policy establishes a path towards a clean electrified economy. This direction is supported by the overwhelming majority of business leaders (96%) who say the UK should transition away from fossil fuels. However, despite the country's successful divestment from coal, it has not succeeded in decoupling fossil fuels from demand, with oil and gas still 75% of final energy consumption (compared to 16.3% from domestic renewables).¹ This exposes businesses and households to price inflation resulting from geopolitical shocks, such as the conflict-driven restriction on shipping through the Strait of Hormuz. The government has taken short-term steps to try to "break the link" between fossil fuels and electricity prices, such as offering voluntary long-term fixed contracts to existing low-carbon generators.

These have only been partly successful, however, as electricity prices are tightly tied to the international oil and gas market.

Consequently, over half (52%) of business leaders say they expect recent geopolitical volatility to feed through into higher energy prices. This is true both for electricity (32% of which still comes from fossil fuels, especially imported gas) and for the still high proportion of fossil fuels used for transport, heating and other energy needs. Collectively, these price pressures help explain why most executives (79%) now say electrification is more urgent than before.

A similar logic lies behind the dominant view among business leaders (93%) that electrifying their operations would improve their energy security. In fact, improving energy security is the benefit most often cited by executives—both in the case of their individual businesses (35%) and for the economy overall (42%). This desire for more stable energy prices tallies closely to current political concerns around the cost of living, of which high energy costs represent a significant factor.

¹ https://assets.publishing.service.gov.uk/media/688890c3a11f859994409132/UK_Energy_in_Brief_2025.pdf

United Kingdom

Faster electrification could help avoid this, business leaders say; 82%, for example, draw a direct link between electrifying their operations and lowering their long-term energy costs. In a similar vein, 88% see a positive connection to becoming more competitive.

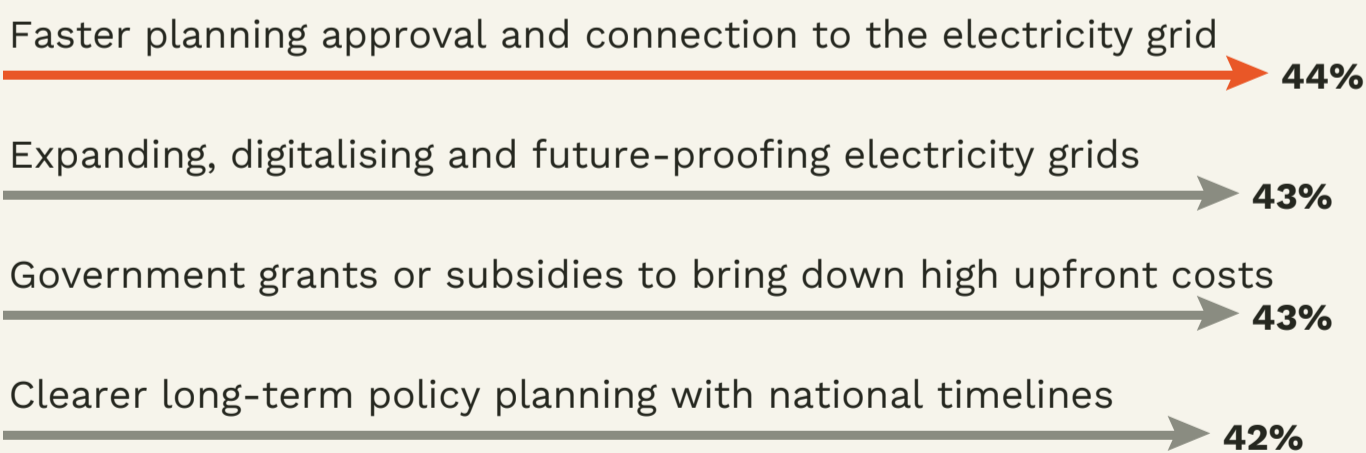
Business Viewpoints

Recent government policy echoes the same urgency felt by business to electrify; a noteworthy example is the UK Clean Power 2030 Action Plan, which sets out plans to increase investment in new power infrastructure and improve system planning, among other goals. This focus on infrastructure fits with the position of the business community, with executives identifying steps to speed up grid connectivity (44%)

and expand the grid's reach and digitalisation (43%) as the most effective policy levers available to the government. Most executives (65%) also welcome the support that the government is offering to help them electrify, albeit with a small proportion (28%) saying that the government is actually an impediment.

Even so, progress is widely viewed as too slow. In fact, nearly half (49%) of business leaders maintain that the country's power systems are not keeping pace with the electrification needs of industry, while 51% say policies are not moving fast enough. A similar proportion (50%) worry about shifts in policy in the event of a change in government. Should companies not receive sufficient support to electrify their operations, 60% of the executives surveyed say their companies would consider relocating overseas.

Which policies would help UK business electrify faster



Which of the following policies would make the biggest difference in helping your business electrify faster (e.g. replace fossil fuel-powered systems like petrol vehicles, gas heating, and industrial processes with electric alternatives like electric vehicles, heat pumps, electrified industrial processes)? Select up to five

