

The King's Speech 2026

13 May 2026

Overview

This briefing summarises the 2026 King's Speech and its implications for the CCUS sector, and related industrial policy. It provides CCSA analysis of five relevant Bills: Energy Independence, European Partnership, Regulating for Growth, Electricity Generator Levy, and Steel Industry Nationalisation. It also analyses the Conservatives' alternative legislative programme.

The King's Speech

Today, King Charles III delivered the King's Speech, setting out the Government's legislative agenda for the coming year against a backdrop of a politically fragmented landscape. A total of 37 Bills were announced. The Government warned of a "dangerous and volatile" world, stating that "economic security depends on raising living standards" in every part of the UK.

Full details on the Bills announced in the King's Speech can be found [HERE](#).

The CCSA welcomes the Government's legislative programme, particularly the Energy Independence Bill and European Partnership Bill, as a significant step forward in establishing a stronger framework for CCUS infrastructure delivery, industrial decarbonisation and the UK's clean energy transition, while continuing to advocate for clearer and more explicit recognition of CCUS as critical national infrastructure.

Key Bills are as follows:

1. Energy Independence Bill
2. European Partnership Bill
3. Regulating for Growth Bill
4. Electricity Generator Levy Bill
5. Steel Industry (Nationalisation) Bill

The King's Speech sets out the direction of travel the Government wants to pursue, but it is also not an exhaustive list of legislation that will be brought forward.

Bills

1. Energy Independence Bill

Lead Department: Department for Energy Security and Net Zero

Summary:

- The Energy Independence Bill is the next step in the Government's plan to deliver clean energy, delivering measures to underpin action on three core objectives;
 - tackling the affordability crisis and protecting consumers;
 - accelerating the UK's drive for energy security; and
 - delivering a fair, managed and prosperous transition to clean energy.The Bill will extend to the whole of the UK.
- Key measures in relation to the CCUS sector include:

- Reform market, planning and regulatory frameworks to accelerate the deployment of clean power including offshore wind, hydrogen and smart grid technologies.
- Introduce powers needed to take a more strategic approach to planning and building energy infrastructure and operate the electricity system more efficiently.
- Manage existing oil and gas fields for their lifetime through legislation to introduce Transitional Energy Certificates and show climate leadership by meeting the manifesto commitment not to issue new licences to explore new fields, including delivering the commitment to ban fracking.
- Ensure the North Sea Transition Authority is equipped to support a fair, managed and prosperous transition, including a new statutory objective to consider workers, communities and supply chains in its decisions.
- Extend employment rights and protections for offshore workers in renewables, bringing them in line with those working in oil and gas.

CCSA analysis:

- *The CCSA welcomes the Bill as an important enabling framework for industrial decarbonisation and offshore energy transition, particularly where it accelerates infrastructure delivery and supports hydrogen and North Sea transition objectives. However, we are concerned that the Bill does not include CCUS alongside hydrogen for the deployment of clean power.*
- *The Bill's focus on strategic planning and faster delivery of energy infrastructure aligns strongly with CCSA priorities. CCUS projects depend on coordinated development of pipelines, industrial clusters, capture infrastructure and offshore storage networks. Faster consenting and planning processes could reduce delays and investment uncertainty.*
- *Expanding the role of the North Sea Transition Authority to consider workers, communities and supply chains supports the development of CCUS industrial clusters, particularly in regions such as the Humber, Teesside, Merseyside and Scotland.*
- *The CCSA recognises that oil and gas will remain an important part of the UK's energy mix for decades to come, and CCUS is the only credible route to making that part of our energy system low-carbon. The transition in the North Sea must therefore be managed in a way that protects the skills, expertise and supply chains needed for the growth of CCUS. The UK cannot afford to lose the engineers, geoscientists and subsurface specialists who will be essential to delivering CO₂ transport and geological storage.*
- **Getting the timing of this transition right - alongside a fiscal regime that supports investment in low-carbon technologies - will be critical to delivering CCUS and supporting a just transition for workers and communities.**
- *Extending employment protections for offshore renewable workers complements the broader aim of retaining a skilled workforce. The CCUS sector consistently argues that workforce continuity from oil and gas into clean energy industries is essential for a successful transition.*

Next steps:

- The Bill explicitly references hydrogen deployment (however it does not CCUS for clean power). The CCSA continues to urge the Government to publish the much-delayed Hydrogen Strategy.
- The CCSA will engage with the Bill team when it is introduced.

2. European Partnership Bill

Lead Department: Cabinet Office

Summary:

- Following the Prime Minister's speech earlier this week where he indicated a 'new direction for Britain' in terms of its relationship with the EU, the Government intends to bring forward a Bill that provides a framework of powers to ensure agreements with the EU can be implemented now and in the future. These include:
 - "Powers to fulfil treaty obligations in the agreements with the EU where it serves the national interest. This will enable the domestic implementation of relevant commitments so that the benefits of the agreements can be unlocked. These powers will mean that Parliament has its say before EU law is applied in the UK."
 - "A power to extend the application of the Bill to new treaties with the EU in the future. As highlighted by the Prime Minister, the Minister for European Union Relations, and the Chancellor of the Exchequer, the Government believes further alignment could support even more prosperity. The Bill will set out how these powers can be used for future treaties and ensure there is Parliamentary approval for any new treaties before those powers can be used."

CCSA analysis:

- *The Government has said these agreements will reduce barriers to trade, cut costs for businesses, and drive growth and investment. Since the 2025 UK-EU Reset Summit, the UK and EU have been negotiating the detailed legal texts on the new agreements, including UK decision shaping rights in areas where the UK and EU will be aligning.*
- *The CCSA welcomes the Government's continued commitment to strengthening UK-EU cooperation, particularly where it supports industrial competitiveness and decarbonisation objectives.*
- *It is positive to see the emissions trading agreement explicitly included in the Bill's supporting detail. The Government states that linking the UK and EU emissions trading schemes will "establish a larger and more stable carbon market", "support industry confidence to invest in new technologies and jobs" and help industry "decarbonise more quickly and efficiently."*
- *The reference to CBAM exemptions is also welcome. The Government states that UK-EU ETS linkage would "create the conditions for mutual exemptions from respective Carbon Border Adjustment Mechanisms", saving £7 billion of UK exports from being exposed to the EU CBAM. This is directly relevant to energy-intensive industries considering investment in CCUS, as reducing trade friction and avoiding duplicated carbon costs can strengthen the business case for industrial decarbonisation.*
- *In the context of the recent local elections, and Reform UK's strong performance in particular, this Bill may relitigate many of the political debates that dominated Brexit, particularly around parliamentary sovereignty, regulatory autonomy and the extent to which the UK should align with EU rules in return for reduced trade friction. While the Government will argue that the Bill supports growth, jobs and lower costs by improving the UK's trading relationship with the EU, critics are likely to argue that it gives Ministers broad powers to implement EU-related treaty obligations and could limit MPs' ability to amend, improve or reject future*

EU-derived regulations once agreements have been reached. Reform, the Conservatives, and some corners of the media, are unlikely to heavily focus on the technical merits of linking carbon markets, but will likely frame the Bill as evidence of Labour re-joining the EU in all but name at the expense of parliamentary sovereignty, regulatory independence and the perceived benefits of Brexit. The CCUS industry should therefore avoid being drawn into the wider debate and continue to frame ETS linkage as a practical win-win for the UK and EU that supports investor confidence, industrial competitiveness and cross-border CO₂ transport and storage.

Next steps:

- To enable timely investment decisions and prevent further delays to CCUS and CDR projects, the CCSA will continue engaging with EU and UK policymakers to unlock cross-border CO₂ transport and storage.
- The CCSA will engage with policymakers to seek clarity on the type of agreement expected at the next EU-UK Summit and the timeline for swift implementation.
- The CCSA will continue calling for the UK and EU to provide a clear timeline, milestones and deliverables for the full operationalisation of the UK-EU ETS link.

3. Regulating for Growth Bill

Lead Department: His Majesty's Treasury

Summary:

- The Bill will strengthen the Growth Duty, elevating consideration of growth in regulatory decision-making without undermining regulators' core objectives (e.g. on safety or the environment). It will give a list of leading regulators such as Natural England, the Environment Agency, and the Health and Safety Executive (HSE), a clear, statutory mandate to prioritise growth without undermining their important core functions, reducing unnecessary risk aversion and ensuring regulatory decisions support investment, infrastructure and market creation.
 - This will be supported by a new statutory power for ministers to issue strategic steers, enabling them to define what growth means in different regulatory contexts, including through regulators enabling innovation.
 - The new strengthened Growth Duty also has additional legal measures such as reporting requirements, to ensure that it has real measurable impact.
- The Bill will create cross-economy "sandboxing powers" so that businesses can test cutting-edge new products and technologies safely, prove what works and then scale up delivery of these changes more quickly. These sandboxing powers will be legal powers to allow existing rules to be temporarily relaxed, under strict controls, to test new products and technologies in real-world settings. This will support the UK to unlock growth from emerging technologies where current regulatory frameworks create barriers, with a focus on the Industrial Strategy's growth-driving sectors, but also enable citizens to benefit and support the UK's national security.

CCSA analysis:

- *Since 2024, the CCSA has responded to several consultations regarding regulator reform and promotion of the growth duty across the regulators. The CCSA supports this effort to embed growth to a greater degree across the regulator landscape and promote the use of KPIs to measure progress.*

- *Additionally, the CCSA continues to advocate for the delivery of climate target goals to be embedded to a greater degree in the approach to regulating growth. Sustainable economic growth must be intertwined with efforts towards net zero, circular economy progress and overall sustainability. Emerging metrics which demonstrate sustainability and progress towards net zero need to gain greater value alongside ‘traditional’ metrics of measuring growth.*
- *The CCSA also views the sandboxing powers as a positive development, which could offer benefits to the CCUS sector; by enabling innovative carbon capture solutions to deploy and test concepts more easily.*

Next steps:

- The CCSA will continue to monitor progress of this bill and will update members accordingly.

4. Electricity Generator Levy Bill

Lead Department: Department for Energy Security and Net Zero

Summary:

- This Bill will deliver the increase in the Electricity Generator Levy (EGL) rate from 45% to 55%, effective from 1 July 2026.
- The uplift was announced by the government in April 2026 alongside a wider package of electricity market reforms, responding to continued volatility in international gas markets and heightened geopolitical instability in the Middle East.
- The government reiterated wholesale electricity prices remain closely linked to gas prices, leaving consumers exposed to fossil fuel price shocks and higher energy bills.
- The increase in EGL is intended to encourage existing eligible low-carbon generators to move onto new fixed-price contracts (“wholesale Contracts for Difference”), helping to reduce the link between electricity and gas prices over time.
- The higher levy will also ensure the Government captures a greater share of exceptional revenues earned by some generators during periods of elevated gas prices, helping support households and businesses with cost-of-living pressures.
- The Government has also announced plans to extend the EGL beyond its current 2028 end date, with further legislation to follow.

CCSA analysis:

- *The CCSA welcomes the Government’s efforts to reduce exposure to high and volatile gas-driven power prices, alongside the Energy Secretary’s commitment to delivering energy security and clean power.*
- *While the measures outlined by Government signal a willingness to intervene more directly on market revenues during periods of high prices, they may raise questions around policy certainty, particularly given the EGL was originally introduced as a temporary measure but is now expected to extend beyond 2028.*
- *To deliver projects at pace, the UK Government must continue to provide policy and regulatory certainty for investors, alongside a planning system that does not slow critical energy infrastructure.*

Next steps:

- The CCSA would welcome feedback from members impacted by these changes, particularly regarding the potential implications for investment certainty and market participation.
- We will continue to monitor further Government detail on implementation, including future legislation relating to the proposed extension of the EGL beyond 2028.

5. Steel Industry (Nationalisation) Bill

Lead Department: Department for Business and Trade

Summary:

- The Bill will provide the Secretary of State powers to transfer ownership of steel undertakings (either by a share or property transfer) to public ownership.
- The Bill will establish a public interest test that must be met for the Government to exercise transfer powers in respect of a steel undertaking. An indicative list of public interest factors is provided in the Bill which includes national security, support for the economy and critical national infrastructure.
- The Bill will introduce compensation provisions for steel undertakings in respect of which SoS's transfer powers have been used.

CCSA analysis:

- *The Bill's primary focus is on the Government's ability to nationalise strategic steel assets and therefore has limited direct relevance to the CCUS sector, although steel is a core supply chain component with significant cost implications.*
- *This announcement was welcomed by Director General of UK Steel, Gareth Stace, who said "we strongly welcome the prime minister's announcement to legislate for the nationalisation of British Steel. This provides vital certainty for the workforce, the company's customers and the wider supply chain at a critical moment."*

Next steps:

- The CCSA will continue to monitor the Government's focus on public investment and development of legislative powers to nationalise UK industries.
- We continue to reiterate that there are other foundational UK industries, for instance refineries, which do not have sufficient protections, investments or secure routes to decarbonise to enable their continued activity in the UK.

The Conservative's Alternative King's Speech

Ahead of today's King's Speech, the Conservative Party published their '[Alternative King's Speech](#)', which sets out a number of Bills they would introduce if in power which they view as strengthening the UK's economy. Proposed Bills relevant to the CCUS sector include:

- **Save British Industry Bill:** The Bill would repeal the Climate Change Act 2008 and axe carbon pricing mechanisms, including Carbon Price Support, CBAM and 'relevant parts' of the UK ETS to cut electricity prices for business by 20 per cent. The Party also proposes to set up a monitoring and reporting process to measure how much the decline in British industry is simply down to offshoring UK emissions rather than decarbonising production.
- **Cheap Energy Bill:** The Bill would scrap Great British Energy, the Renewables Obligation, UK ETS/Carbon Price Support, remove VAT from domestic energy bills for three years, and make it easier and cheaper to build new nuclear.
- **Get Britain Drilling Bill:** The Bill would end the ban on new North Sea oil and gas licences, rename the North Sea Transition Authority as the North Sea Authority, remove its net zero mandate, remove offshore oil and gas decarbonisation requirements, reverse Scope 3 assessment requirements for oil and gas projects, and repeal the Energy Profits Levy.

CCSA analysis:

The Conservative Party's Alternative King's Speech reflects growing political concern around industrial competitiveness, energy costs and economic security. While the CCSA recognises the focus on protecting British industry and strengthening domestic energy production, proposals to repeal the Climate Change Act 2008 and weaken carbon pricing mechanism risk undermining investor confidence and long-term certainty for CCUS deployment.

The CCSA will continue engaging with Conservative Shadow Ministers and their policy team to position CCUS as a pro-growth, pro-industry technology that supports manufacturing competitiveness, protects skilled jobs, and enables a managed North Sea transition while strengthening UK energy security.
