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## U.S. and UK Announce Partnership on Clean Energy Transition

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The United States and the United Kingdom announced a partnership to address a range of global challenges, including the transition to clean energy. As part of the partnership, announced on June 9, 2023, the two countries pledged to boost production of electric vehicles, accelerate the development of clean energy supply chains and facilitate the international deployment of advanced nuclear technologies.

The [Atlantic Declaration](#) for a Twenty-First Century U.S.-UK Economic Partnership and accompanying Action Plan for a Twenty-First Century U.S.-UK Economic Partnership (ADAPT) outline coordinated actions to deepen the U.S.-UK partnership across five pillars: 1) ensuring U.S.-UK leadership in critical and emerging technologies; 2) advancing closer cooperation on economic security and technology protection toolkits and supply chains; 3) partnering on an inclusive and responsible digital transformation; 4) building a clean energy economy; and 5) strengthening the alliance across defense, health security and space.

The fourth of ADAPT's five pillars focuses on transition the U.S. and UK economies to clean energy, while implementing their respective 2030 contributions under the Paris Agreement and meeting 2050 net zero emission goals. To these ends, the U.S. and UK agreed to take three key actions:

- **Launch negotiations for a Critical Minerals Agreement.** The U.S. and UK plan to develop a critical minerals agreement covering the five relevant critical minerals for electric vehicles—cobalt, graphite, lithium, manganese and nickel—that are extracted or processed in the UK and count toward sourcing requirements for clean vehicles eligible for the clean vehicle tax credit of the U.S. Inflation Reduction Act. The U.S.-UK partnership is intended to support

the creation of well-paying jobs in both countries; increase each country's respective and collective clean energy industrial capacity; boost electric vehicle production and deployment; and expand access to sustainable critical mineral and battery supply chains.

- **Partner on a Joint Clean Energy Supply Chain Action Plan.** Under the one-year plan, the U.S. and UK will establish a Joint Action Group on Energy Security and Affordability (JAG) to, by the end of 2023, identify and determine near-term actions to accelerate the buildout of capacity sufficient to meet future clean energy demands in their respective countries and globally. The U.S. and UK will conduct public-private consultations across clean energy supply chains, including with producers of offshore wind power and electric vehicle batteries, and conduct rapid stress-test exercises, which could form a model for future work on supply chain resilience.
- **Launch a Civil Nuclear Partnership.** Senior officials in both governments will oversee the launch of a civil nuclear partnership to facilitate the safe, secure and sustainable international deployment of advanced nuclear technologies, including small modular reactors, in accordance with the highest non-proliferation standards and consistent with a 1.5 degree Celsius limit on global warming. The JAG will also set near-term priorities to encourage the establishment of new infrastructure and end-to-end fuel cycle capabilities by 2030 on both continents, and substantially minimize reliance on Russian fuel, supplies and services. In addition, a Joint Standing Committee on Nuclear Energy Cooperation will be created to deliver on shared commitments by the end of the year and serve as a bilateral forum to advance shared policy goals, including near-term actions identified by the JAG.

Senior U.S. and UK government officials will convene biannually to assess ADAPT's progress towards its goals.

**Taking the Temperature: The U.S. and UK partnership has articulated ambitious, near-term clean energy goals as public investment in the development of clean energy continues to be a hot topic around the world. Of the actions items in the U.S. and UK plan, the launch of a nuclear partnership between the two countries is likely to be controversial. As we noted earlier this year, the UK announced it will classify nuclear power as “environmentally sustainable” in the UK’s green taxonomy in order to give it access to the same investment incentives as renewable energy.**

**The European Union made a similar move in 2022, much to the displeasure of certain environmental advocacy groups. Greenpeace sued the European Commission in May arguing that the inclusion of nuclear power in the EU Taxonomy contravenes the Taxonomy Regulation for economic activities that are considered environmentally sustainable as wells as the European Climate Law and the EU’s Paris Agreement obligations. Greenpeace’s lawsuit is just one in a number of challenges to the EU Taxonomy, and in particular, its inclusion of fossil gas and nuclear energy, including a suit last filed in April by a number of environmental NGOs.**