



Department for
Energy Security
& Net Zero

Great British Energy

Founding Statement



1. Secretary of State foreword

Our country faces huge challenges. More than two years on from Russia's invasion of Ukraine, families and businesses continue to pay the price for Britain's energy insecurity. Bills remain hundreds of pounds higher than before the energy crisis began and are expected to rise again soon. At the same time, we are confronted by the climate crisis all around us, not a future threat but a present reality, and there is an unmet demand for good jobs and economic opportunities all across Britain.

In 2024, the answers to all these challenges point in the same direction: investing in clean energy at speed and scale. In an unstable world, the only way to guarantee our energy security and protect billpayers permanently is to speed up the transition away from fossil fuels and towards home-grown clean energy.

That is why making Britain a clean energy superpower by 2030 is one of the Prime Minister's five missions with the biggest investment in home-grown clean energy in British history.

The new government is taking immediate action on our mission. We lifted the ban on onshore wind within our first 72 hours in government and have set up a new 2030 Mission Control at the heart of government.

Now, we are already delivering on one of the government's first steps for change by setting up Great British Energy, a publicly-owned company headquartered in Scotland to invest in clean, home-grown energy. Today, we are also introducing the Great British Energy Bill to Parliament.

Great British Energy stems from a simple idea: that the British people should have a right to own and benefit from our natural resources. That these resources belong to all of us and should be harnessed for the common good.

We already have public ownership of energy in this country, by foreign governments. The policy of this government is that it is time for the British people to also own things again and build things again.

Other countries have also grasped the opportunities of investing in clean energy, but Britain is being left behind. We have tremendous advantages: from our long coastlines and shallow waters to our skilled energy workforce, with deep experience in offshore industries and cutting-edge technologies. The only thing that's missing is a long-term plan to harness these significant assets.



Ed Miliband
Secretary of State

Great British Energy is how we help change this. A new national champion allowing us to reap the benefits of Britain's abundant natural resources, with clean power projects in communities across our country, to create the next generation of good jobs, reindustrialising Britain.

Backed by a capitalisation of £8.3 billion of new money over this Parliament, Great British Energy will work closely with industry, local authorities, communities and other public sector organisations to help accelerate Britain's pathway to energy independence. That means installing thousands of clean power projects across the country, crowding in investment for next-generation technologies, and providing vital support to accelerate large-scale projects.

Great British Energy will own, manage and operate clean power projects. It will be a company that will generate energy in its own right, working in partnership with the private sector for the good of the country.

Great British Energy will create thousands of good jobs, with good wages, across the country. We will seize the opportunities of the clean energy transition and ensure the British people capture those benefits. In doing so, we will show how twenty-first century modern public ownership can help deliver a dynamic state working in partnership with industry, workers and unions.

Great British Energy is part of our bold, long-term strategy to harness our nation's clean energy potential, and ensure that never again are we at the mercy of volatile fossil fuel markets. It will be a new national venture that our country can take pride in.

2. Great British Energy Chair foreword

Great British Energy will help us make the most of our enormous potential for cleaner energy in this country - and ensure the British people reap the benefits.

With a publicly-owned company working in lockstep with industry, we can help drive the innovation and investment required to transform our power system and decarbonise the grid by 2030, creating good jobs and generating wealth for Britain.

That means investing in and directly owning new projects, and working with industry to speed up the deployment of projects.

Great British Energy can help clear a path for those emerging technologies which could revolutionise the entire sector, for example this may include technologies such as floating offshore wind, tidal, hydrogen generation and storage, and carbon capture.

And we will be investing in community-owned energy generation, reducing the pressures on the transmission grid while giving local people a stake in their transition to net zero.

We will also be collaborating with industry and other government departments to build the supply chains which will support this new era of clean power, bringing jobs and wealth to every corner of Britain.

It is this collaboration which will be key to our success.

If we can combine the power of the private sector and government, we can accelerate the clean energy transition. And we can deliver stronger energy security, lower emissions and a boom in good green jobs across the country.



Juergen Maier
CBE, FRS, FEng
Chair

3. What is Great British Energy?

Great British Energy will be a publicly-owned energy company, designed to drive clean energy deployment, boost energy independence, create jobs and ensure UK taxpayers, billpayers and communities reap the benefits of clean, secure, home-grown energy. Setting up Great British Energy is one of government's first steps for change and we will do this in a way that means it will have both an early impact and long-term success.

Through its five functions (see section 6), Great British Energy will speed up the deployment of mature and new technologies, as well as local energy projects, to support the government's aim of decarbonising our electricity system by 2030 whilst also ensuring we can meet future demand as we further decarbonise the economy.

To this end and as an example of what it can achieve, we have already agreed a major partnership between Great British Energy and The Crown Estate to accelerate deployment and support UK supply chains (more details in section 6.1).

Great British Energy will work collaboratively with industry, local authorities and communities, and other public sector organisations such as the National Wealth Fund, to spread skilled jobs and investment across the country. Great British Energy will be backed by a capitalisation of £8.3 billion of new money over this Parliament.

In recognition of Scotland's leading role in the UK's clean energy revolution, Great British Energy will be headquartered and run from Scotland.



4. Case for Great British Energy

4.1. Clean Energy Superpower

We have a clear mission to make Britain a clean energy superpower and to decarbonise the power sector by 2030. This is an unprecedented transformation of our energy system and will require an accelerated effort across government and the private sector. Great British Energy can help give confidence to industry and investors and put the UK on the path to become a clean energy superpower.

To deliver our 2030 target, we will need significant investment in our generation capacity. Much of that will come from private investment and Great British Energy will work closely with industry, as well as communities, local authorities and other public sector organisations, to invest in and drive the deployment of clean energy. Great British Energy will focus on energy projects where the market is less mature. This will help signal commitment to these technologies and help crowd-in private investment. Whilst Great British Energy will be set up to have an early impact, it will also be set up for long-term success beyond 2030 to help meet future demand from delivering a net zero UK economy.

We are investing in the electricity system of the future - renewables are not only greener they are the fastest to deploy and cheapest to build and operate. A renewables-led system is the cheapest foundation for a decarbonised grid.

4.2. Ownership

Many European countries have been able to seize the opportunities of the energy transition through a publicly-owned domestic champion. Great British Energy will learn from these other countries and build our own publicly-owned domestic champion.

The UK is home to a range of clean energy production assets like offshore wind and nuclear energy. The government will continue to welcome investment from abroad. Alongside that investment, Great British Energy will provide an additional route to build clean energy assets. The success of Great British Energy's clean energy production would then generate profit that is returned to invest in new projects and for the wider benefit of UK taxpayers, billpayers and communities.

4.3. Energy Independence

Our reliance on imported fossil fuels can create both economic and security risks. Increasing home-grown power generation, through renewables, nuclear, hydrogen and carbon capture and storage, whilst more broadly transitioning the way we heat our homes and fuel our vehicles, can significantly reduce our exposure to these potentially volatile international markets, ensuring that households are not exposed to the impacts of global events again.

Unlike fossil fuels, the advantage of home-grown clean energy is that it is not priced and sold on international markets and controlled by other states. Great British Energy will boost the number of clean energy projects in this country, making our energy supply more secure.

4.4. Job Creation

Where coal power once drove local economies for generations in this country, clean energy can do the same for future generations. Through its five functions (see sections 6.1 to 6.5), Great British Energy will boost the number of skilled jobs in this essential industry and in its growing UK supply chain.

4.5. Supporting Billpayers

In an unstable world, the only way to guarantee our energy security and protect billpayers from future energy shocks is to speed up the transition away from fossil fuels and towards home-grown clean energy. Through supporting the transition to clean energy, Great British Energy will save families money by ensuring electricity bills are no longer exposed to the kinds of gas price shocks which helped drive increases in the electricity price cap of over £1,300 for a typical household during winter 22/23.

As a publicly-owned national champion, Great British Energy will ensure UK taxpayers, billpayers and communities reap the benefits of clean, secure, home-grown energy. We will assess the best way to distribute the benefits of Great British Energy whilst supporting the wider objectives of the company.

5. Structure of Great British Energy

Great British Energy will be an operationally independent company wholly owned by the Secretary of State for Energy Security and Net Zero.

Chaired by Juergen Maier and led by its own CEO, Great British Energy will be overseen by an independent fiduciary Board, rather than Ministers, benefitting from industry-leading expertise and experience across its remit. Trade unions will have a voice and representation within Great British Energy.

Great British Energy will have strategic objectives and a framework document agreed with the Secretary of State. It will be developed with flexibility in its initial governance and powers, to allow for the company to take on a long-term role that best drives value for UK taxpayers, billpayers and communities. Great British Energy will work towards being a financially sustainable and self-financing organisation in the long term, looking to reinvest its returns into new projects.



6. Role of Great British Energy

As outlined, Great British Energy’s mission will be to drive clean energy deployment to create jobs, boost energy independence, and ensure UK taxpayers, billpayers and communities reap the benefits of clean, secure, home-grown energy. This mission will be delivered through the following five functions:

6.1. Project investment and ownership

Delivering the transition to clean energy will require the role of both government and the private sector to unlock the scale of capital needed to boost our energy independence and accelerate the pace of decarbonisation.

Great British Energy will seek to generate publicly-owned revenue to reinvest into future energy projects, creating further benefits for the UK taxpayers, billpayers and communities. This means investing in and owning clean power generation assets – particularly in less developed technologies that can help power our clean energy future, like floating offshore wind and carbon capture. Great British Energy is not simply an investment vehicle – it is a publicly-owned energy company that will take stakes in the projects it owns, manages and operates.

Great British Energy will engage with investors and wider markets to create an investment offer that seizes the opportunities of the transition to our clean energy future. The company will work with institutions such as the National Wealth Fund and UK Infrastructure Bank so that government’s investments in the energy sector maximise value for the British public. As the details of both Great British Energy and the National Wealth Fund are developed further in consultation with stakeholders, government is focused on providing the private sector with clarity and confidence, building on the momentum of investment in key projects that are being taken forward through existing institutions such as the UK Infrastructure Bank.

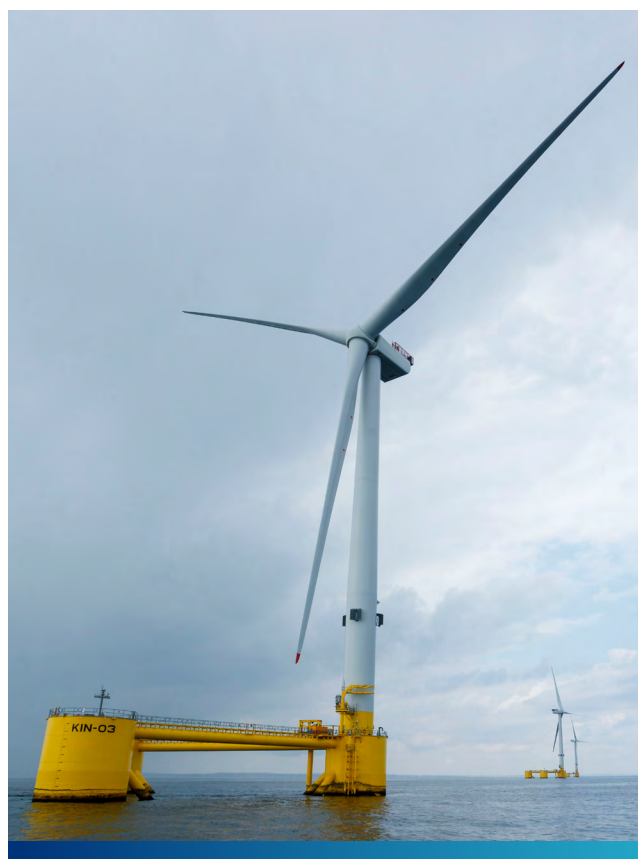


Image credit: Flotation Energy.

6.2. Project development

Great British Energy will support the development across clean energy technologies, including through the major partnership between Great British Energy and The Crown Estate announced on Thursday 25th July. The Crown Estate is a public corporation, acting independently of government and the Monarch and returning all net profits to government. The Crown Estate is a unique business with a diverse portfolio that includes real estate across England, Wales and Northern Ireland, a rural portfolio, the Windsor estate and management of the seabed and half the foreshore around England, Wales and Northern Ireland. It plays a fundamental role in the sustainable development of these assets, including the UK's world-leading offshore wind, renewables and greenhouse gas reduction technologies.

Using its data and spatial capabilities, its role also includes identifying and subsequently leasing suitable seabed sites for development for marine energy projects. The Crown Estate is currently running one of the world's largest commercial scale floating wind leasing programmes in the Celtic sea, with the potential to deliver £20 billion of direct investment from deployment in the area. This partnership will accelerate that leadership even further.

Under the terms of the agreement, The Crown Estate will establish a new division "Great British Energy: The Crown Estate". This partnership will:

- Bring forward new offshore wind developments, with the potential to deliver up to 20-30GW of extra offshore wind seabed leases to the market by 2030, to develop the future energy our country needs. DESNZ estimates that this could support the leveraging of up to £30-60bn of private investment.¹
- Stimulate new technology in areas such as floating wind, hydrogen, carbon capture and tidal energy, to keep Britain at the cutting edge of the energy transition.
- Invest in ports and clean energy supply chains, unlocking strategic bottlenecks to speed up the delivery of existing projects.
- Ensure that future development, including the next round of leases, has lower risk for developers, enabling faster buildout from leasing. We will work closely with the sector to ensure that the competitiveness of existing projects is not impacted, and that these changes to future development are successful.

¹ Private investment leveraged is estimated based on the total sum of financial contributions required to deliver the projects, prior to first power. This assumes projects proceed beyond final investment decision, and is based on estimates for pre-development, construction and infrastructure costs from the published DESNZ 2023 Electricity Generation Costs report, with assumptions varied from low to high to produce a range. Costs associated with seabed leasing option fees, operational expenditure and decommissioning are excluded. Figures are undiscounted, non-annualised and are presented in 2023 real terms, rounded to the nearest £10 billion. Figures include imports where inputs are purchased from overseas.

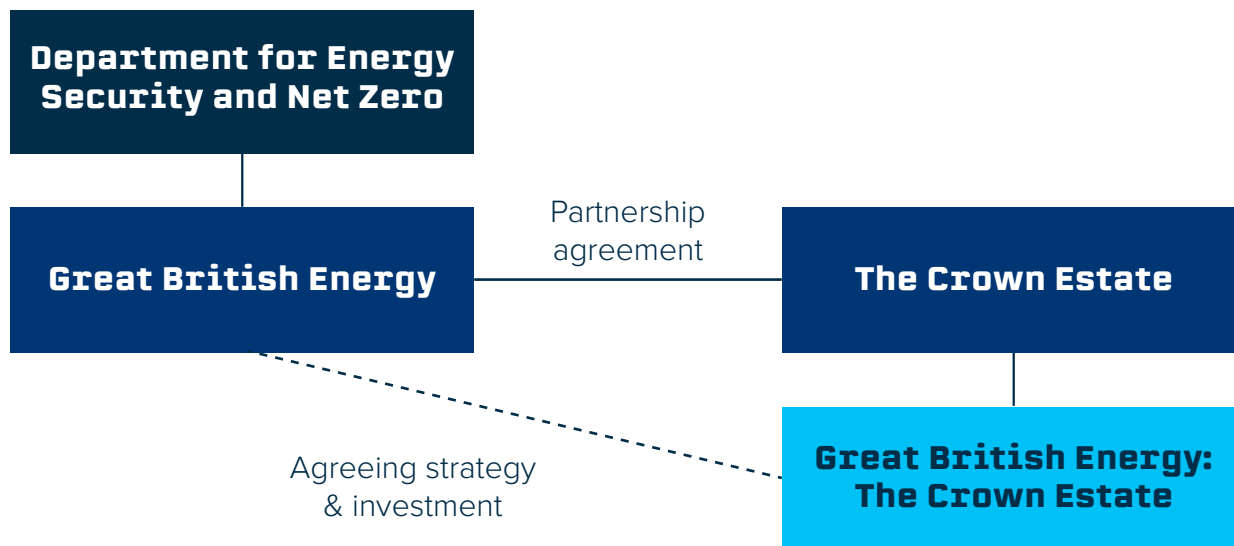


Figure 1: partnership structure

Beyond the partnership with The Crown Estate, Great British Energy will invest in all four nations, and we are working closely with the devolved nations to make this a reality. For example, the UK Government is already in discussions with the Scottish Government and Crown Estate Scotland on how Great British Energy could help to support new development and investment in Scotland. The Government is committed to forming strong partnerships in Scotland to drive the UK further forward as a global leader in renewable technologies – evidenced by Great British Energy locating its headquarters there.

We will also explore a role for Great British Energy in onshore and offshore projects through their early development stages to accelerate their delivery. Great British Energy could support projects on public land and will be able to prioritise sites where generation is most valuable for the whole energy system, to create additional benefits for the British public.

This development work could include activities from land assessments and environmental surveys through to securing planning consent and grid connection. Doing this upfront development work on certain projects should mean that private sector developers can focus on project construction, helping to stimulate private sector investment and turbocharge the growth of energy projects across the country, whilst generating benefits for the British public from the development of the country’s national resources.

6.3. Local Power Plan

Local power generation is an essential part of the energy mix, ensuring communities own and benefit from clean power projects, and reducing pressures on the transmission grid. Great British Energy will provide support to deliver the Local Power Plan, putting local authorities and communities at the heart of restructuring our energy economy. The plan will give them a stake in the transition to net zero as owners and important stakeholders in local clean power projects.

Through partnering with and providing funding and support to Local and Combined Authorities and Community Energy Groups, the Local Power Plan will roll out small and medium-scale renewable energy projects, using established technologies to develop up to 8GW of cheaper, cleaner power. This will include shared ownership projects in partnership with private developers. This will support a more decentralised and resilient energy system, with more local generation and ownership.

The Local Power Plan will help crowd-in investment while ensuring benefits flow directly back into local communities. This increased investment will create thousands of skilled, clean energy jobs across the country and change communities for the better.

To support Local and Combined Authorities, and Community Energy Groups in accessing funding, the Local Power Plan will also provide commercial, technical and project-planning assistance, increasing their capability and capacity to and build a pipeline of successful projects in their local areas. The Local Power Plan will ensure there is coherence with other existing public sector advisory functions, funding and finance organisations operating in the local energy space, such as the UK Infrastructure Bank.



Credit to: Nottingham City Council via the Midlands Net Zero Hub.

6.4. Supply chain

The sustainability of UK supply chains plays a key role in achieving greater energy security. Great British Energy will help to drive forward greater investment in clean, home grown energy production and build supply chains in every corner of the UK. Great British Energy will work with industry to accelerate the deployment of key energy projects and support the transition to an affordable, decarbonised power system by 2030 built using domestic manufacturing and supply chains.

Great British Energy will work with DESNZ, The Crown Estate, the National Wealth Fund (which has allocated an additional £7.3bn of funding to the UK Infrastructure Bank), and other parts of the public sector to deliver a comprehensive package of support for domestic clean energy supply chains – in everything from offshore wind to carbon capture and storage. Through this, Great British Energy will significantly boost the number of skilled jobs in these essential industries.

6.5. Great British Nuclear

Great British Nuclear was set up in March 2023 to help deliver government’s new nuclear projects, to provide energy security and clean power for the future. We are exploring how Great British Energy and Great British Nuclear can best work together, including considering how Great British Nuclear functions can be aligned with Great British Energy.

Great British Nuclear is an expert nuclear delivery body that will provide the specialist capability and skills necessary to help deliver the government’s nuclear programme. The government is determined to advance the work of Great British Nuclear.



7. Next Steps

Setting up Great British Energy is one of government's first steps for change and we are already delivering on this commitment. Great British Energy will be established at pace so that it can make an early impact whilst ensuring it is set up for long term success.

In due course, we will establish the framework that sets out the expectations and partnership between the government and Great British Energy to enable its independent operation with effective government oversight. The Government is determined to work with the private sector to make Great British Energy a success. It will engage intensely over the coming months in the development phase of Great British Energy to deliver this outcome.

Throughout the next few months we will be taking the important steps to put Great British Energy on a delivery footing, including announcing the location in Scotland of its headquarters, starting to recruit key roles into the organisation, and undertaking a programme of stakeholder engagement to further develop our policy approach. Stay updated by visiting [.GOV.UK](https://www.gov.uk).

