

Great British Energy

One of the new UK Government's key energy pledges from the 2024 general election is the creation of Great British Energy – also called GB Energy. This was mentioned during the King's Speech at the opening of Parliament.

Over the course of this parliament, the new government intends to invest £8.3 billion of funding into this new, publicly owned green power company.

As part of the government's wider energy goals, Energy secretary Ed Miliband has appointed climate and energy expert Chris Stark to lead its new 'Mission Control' centre. Together with Great British Energy, it will work to 'turbocharge' the UK Government's target to deliver clean power by 2030.

How will GB Energy work?

There will be five key functions to Great British Energy:

- 1) Developing clean energy projects through its partnership with the Crown Estate.
- 2) Investing in and owning renewable energy projects.
- 3) Incentivising local power through the Local Power Plan.
- 4) Help build clean energy supply chains in the UK.
- 5) Work with Great British Nuclear to deliver new nuclear projects.

GB Energy won't supply electricity directly to households. Instead, it will work with the private sector to co-invest in emerging energy technologies to make them competitive with more mature technologies, including:

- 1) hydrogen that's created from water (water electrolysis), also called green hydrogen
- 2) floating offshore windfarms
- 3) tidal power

The government also intends to scale investment in existing mature technologies, such as:

- 1) onshore wind
- 2) solar power
- 3) nuclear energy

It will also work with local authorities and community energy organisations to expand small and medium renewable energy projects, like:

- 1) solar
- 2) wind
- 3) hydroelectricity

Who will own GB Energy?

The government's election manifesto states that GB Energy will be a publicly owned company, and will be 'operationally independent, with an independent board'.

Great British Energy will develop, own and operate the renewable energy assets. Specific projects will be owned by local councils and communities.

Though the company will have its headquarters in Scotland, all UK regions should benefit.

What are the benefits of GB Energy?

Based on what has been published so far, GB Energy aims to:

- 1) Lower energy bills for every household by an average of £300 a year.
- 2) Increase energy security by reducing the UK's reliance on imported fossil fuels from countries like Norway, Qatar, the US, and Russia.
- 3) Take on the challenge of delivering green electricity by 2030, through increased use of renewable energy sources.

- 4) Create 650,000 new jobs in all parts of the UK through local energy generation. You can see a regional breakdown of new jobs on the Great British Energy website.

GB Energy and the Local Power Plan

The government's election manifesto emphasises working with local leaders and devolved governments to encourage 'local power generation'. The aim is to reduce the strain on the grid and ensure local people benefit directly from the energy their area produces.

Part of this plan involves supporting community energy groups with commercial, technical and project planning assistance. As is done in Wales, and Scotland already:

Wales – Welsh Government Energy Service

Scotland – Scottish Government's Community and Renewable Energy Scheme (CARES)

The government's proposed Local Power Plan will see Great British Energy partner with local communities to develop renewable energy projects. This should generate up to eight gigawatts (GW) of energy through these projects, which will get a total of £3.3 billion over the course of this parliament.

The new government has said that some of the profits from these local energy projects will go back to the community, for example through discounts on local energy bills.

An example of this type of community benefit that's already in place is Fintry Development Trust in Scotland. A portion of the Fintry wind farm is owned by the community, so some of the wind farm's profits come back to the people. In 2023, this profit took the form of £1,000 grants for households to install energy efficient upgrades.

How will GB Energy be funded?

GB Energy is part of the new government's Green Prosperity Plan, which it says will be funded by two sources:

- 1) an increased windfall tax on oil and gas companies (£1.2 billion over the course of the parliament)
- 2) responsible borrowing

When will the government set up GB Energy?

The government has pledged to establish GB Energy within the first few months of the parliament. To do this, it will need to pass legislation.

The government has also established the Great British Energy Bill, as confirmed in the King's Speech.

GB Energy and the Crown Estate

GB Energy has partnered with the Crown Estate to help the UK Government achieve its aim of delivering clean energy by 2030.

The Crown Estate helps fund the Royal Family. It's independent and manages a portfolio of land and seabed worth £16 billion. All profits from this portfolio are returned to the UK Government.

It's estimated that the partnership could support up to 20-30GW of new offshore wind farms by 2030. This would be enough to power nearly 20 million homes.

By working with the Crown Estate, the UK Government hopes to attract up to £60 billion of private investment to help the country transition to clean energy. The partnership is expected to help scale up offshore wind projects by halving the time it takes to get them up-and-running.

(Taken from the Energy Saving Trust website
<https://energysavingtrust.org.uk/>)