GB Energy Notes

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Slide 2 – What is Great British Energy?

Great British Energy – also called GB Energy was one of the UK Government's key energy pledges from the 2024 general election.

POINT 1: The legal framework for GB Energy was passed into law on 15 May 2025 in the form of the Great British Energy Act. It is a publicly owned and operationally independent energy company designed to emulate Vattenfall in Sweden and EDF in France for example.

The company's HQ is in Aberdeen, with plans to add sites in Glasgow and Edinburgh over time. While it's Scotland-based, the whole of the UK should benefit.

POINT 2: It has been backed by £8.3 billion in investment.

POINT 3: Alongside the new Mission Control centre, GB Energy is turbocharging the Government's target of Clean Power 2030 which is our only way to achieve energy security, decarbonise our economy's energy supply and fight climate change.

POINT 4: GB Energy has 5 key functions:

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: hydrogen that's created from water (water electrolysis), also called green hydrogen, floating offshore windfarms and tidal power.

The UK Government also intends to scale investment in existing mature technologies, such as onshore wind, solar power and nuclear energy.

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

Slide 3 – What has Great British Energy done so far?

POINT 1: While entering into agreements with the Crown Estate, GB Energy has partnered with the National Wealth Fund. The combination of GBE and the NWF's expertise will provide a strong end-to-end clean energy development and finance offer. Having two state institutions playing these distinct and complementary roles of developer and bank mirrors a common model seen across the world, including in Japan and Denmark.

The two organisations will work closely together to support GBE to establish itself quickly as a publicly owned clean energy company, drawing on the NWF's experience as an investor.

If a project is looking for development and capability support, it should go to GBE. The NWF remains the place for clean energy projects to go if they want a policy bank to help plug a financing gap. Where clean energy project developers and owners are unsure which organisation is best suited to their needs, they should approach both GBE and the NWF.

POINT 2: In March GB Energy announced that it would work with schools, the NHS and local Government to build clean energy infrastructure. £80 million in funding was announced for around 200 schools alongside £100 million for NHS sites. Estimates suggest that on average, a typical school could save up to £25,000 per year, whilst the average NHS site could save up to £45,000 per year on their annual energy bill if they had solar panels with complementary technologies installed such as batteries. In addition, local authorities and community energy groups will also be supported by nearly £12 million to help build local clean energy projects - from community-led onshore wind, to solar on rooftops and hydropower in rivers – that can help drive growth. These could generate profits which could then be reinvested into community projects or take money off people's bills. As of June this year, 11 schools have installed solar panels backed by GB Energy, saving a total of 175,000 a year.

POINT 3: Government came together with campaigners to secure supply chains that are free of forced labour. One of Great British Energy's strategic priorities includes an overarching expectation to tackle forced labour. As Britain continues to be a leader in clean energy, it is taking a leadership role in the encouragement of ethical supply chains.

POINT 4: Before the most recent Spending Review, GB Energy brought forward £300 million investment to boost domestic jobs, mobilise private investment and secure manufacturing facilities for critical clean energy supply chains like floating offshore platforms. Investment in offshore wind through contracts for differences have been incredibly successful at rolling out clean energy but less successful at capturing supply chains and GB Energy is a key mechanism to put

that right. This has been complemented by £400 million from The Crown Estate and another £300 million by the offshore wind industry taking investment to £1 billion.

IMAGE: Clean Energy Map, published by DESNZ. Each point on the map represents a clean energy project being supported.

Slide 4 – Community Energy

The UK Government's election manifesto emphasised 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.

GB Energy are working on the Local Power Plan. The aim is to work with local communities to empower people to generate their own energy, save money on their energy bills, and reinvest the savings where they are most needed. It will fund and support community-led energy projects, provide expert guidance on planning and development and ensure communities have a direct stake in local energy projects.

Communities that host energy infrastructure are a critical stakeholder in delivering cheaper, cleaner, secure energy which delivers a positive externality for wider society. In the absence of government intervention, these external benefits are unlikely to be considered by those in local communities which are hosting energy infrastructure and who may incur its associated costs, leading to under provision of infrastructure. Government intervention is required to internalise this external benefit and ensure communities can gain from hosting energy infrastructure that delivers a national need.

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