# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Baglan Energy Park** |
| **DATE**  | **26 July 2022** |
| **BY** | **Vaughan Gething MS, Minister for Economy** |

Members will be aware Baglan Operations Limited (‘BOL’) and the Baglan group of companies under the Calon Energy group entered compulsory liquidation on 24 March 2021, leaving businesses, water pumping stations and other organisations at the Baglan Energy Park in Neath Port Talbot in danger of having their electricity supply terminated.

I am pleased to inform you that as a result of interventions by Welsh Government, Neath Port Talbot Council, Dŵr Cymru Welsh Water and Western Power Distribution, the majority of customers of the Energy Park are now connected to a new distribution network, with remaining connections to be completed in the next few weeks.

The Welsh Government has invested over £4m to support Western Power Distribution, as the local licensed distribution network operator, to rapidly design and build replacement electricity networks to customers impacted. This investment has allowed Western Power to accelerate the process of building a new network – which otherwise would have taken between 18 months to two years to build.

This investment has minimised the significant costs affected organisations would have had to meet to connect to the new electrical networks. As well as financial support, my Officials have provided practical support to businesses, coordinating intelligence gathering and supporting the design of the new electrical networks.

Welsh Government intervention has helped protect businesses that would have been affected by the loss of power, potentially jeopardising up to 1,200 local jobs and has prevented floods by maintaining power to flood water pumping stations.

I have had extensive discussions with all relevant parties, including ministers at BEIS and the Secretary of State for Wales, to try to secure a sensible solution to the very significant impact and problems the termination of the private wire energy supply would have created for businesses and citizens in Baglan. When the UK Government refused to act, legal proceedings were progressed by Welsh Government to seek to prevent the UK Government’s Official Receiver from discontinuing electricity through the private wire network until the new Western Power networks had been constructed. Members will wish to be aware that we are in the process of withdrawing from these proceedings as the necessary connections are now in place, meaning we have successfully minimised disruption to customers of the Baglan Energy Park.

I will be making further representations to incoming BEIS Ministers to raise the need for urgent lessons to be learned from an episode which should not be repeated. It is deeply regrettable that Welsh Ministers were faced with no alternative but to seek legal recourse while BEIS Ministers had the legal authority to intervene in order to prevent catastrophic harm.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Senedd returns I would be happy to do so.