

LEGISLATIVE CONSENT MEMORANDUM

GREAT BRITISH ENERGY BILL 2024

1. This legislative consent memorandum is laid under Standing Order (“SO”) 29.2. SO29 prescribes that a legislative consent memorandum must be laid, and a legislative consent motion may be tabled, before Senedd Cymru¹ if a UK Parliamentary Bill makes provision in relation to Wales for any purpose within, or which modifies the legislative competence of the Senedd.
2. The Great British Energy Bill 2024 (“the Bill”) was introduced in the House of Commons on 25 July 2024. The Bill can be found at: [Great British Energy Bill - Parliamentary Bills - UK Parliament](#)

Policy Objective

3. The UK Government’s stated policy objectives are for the company Great British Energy to drive clean energy deployment, create jobs, boost energy independence, and provide value for the UK taxpayer.
4. The UK Government state that Great British Energy is also intended to work in partnership with industry and unions, as well as communities, local authorities, and other public sector organisations to invest in and drive the deployment of clean energy. The policy intent is also for Great British Energy to invest in, own, and develop clean energy projects in order to derisk and accelerate the delivery of projects and provide support where there is a market gap.
5. In accordance with its objects, which the Bill seeks to establish, Great British Energy is intended to engage in all aspects of clean energy projects, including design, development, construction, commissioning and operation of projects. The policy intent covers supporting infrastructure across the clean energy supply chain, establishing the Local Power Plan, and measures that support the security of supply and energy efficiency.
6. The UK Government intend for Great British Energy to be able to provide support to industry, local authorities and community groups through a variety of mechanisms including but not limited to equity, loans, grants, insurance, and guarantees. The UK Government does not intend for Great British Energy to be an energy retail company or to supply energy directly to households.
7. The scope Great British Energy’s activities would cover:

¹ Please note in accordance with Welsh Government policy we refer to the legislature in Wales as “Senedd Cymru” on first use and “the Senedd” thereafter unless the context stipulates otherwise.

- a) undertaking a range of activities to drive clean energy deployment. This includes, but is not limited to, investing in new technologies and partnering with the private sector to accelerate the deployment of mature technologies
- b) investing in, own, manage and operate energy projects that help to decarbonise the energy system. This could include, for example, power plants fitted with carbon capture infrastructure
- c) supporting decarbonisation through energy efficiency measures, for example: where projects best address generation and energy efficiency together
- d) supporting UK energy independence and support security of energy supply

Summary of the Bill

8. The Bill makes provision to enable the Secretary of State to designate a publicly owned company as Great British Energy (“GBE”). The Bill would limit the scope of the company’s objects to facilitating, encouraging and participating in:
 - the production, distribution, storage and supply of clean energy,
 - the reduction of greenhouse gas emissions from energy produced from fossil fuels,
 - improvements in energy efficiency, and
 - measures for ensuring the security of the supply of energy.
9. The Bill also provides for the Secretary of State to provide financial assistance to the company, to set its strategic priorities, to give it mandatory directions, and in relation to the provision of the company’s annual accounts to the Secretary of State and their laying before Parliament.
10. Prior to introduction of the Bill UK Government officials engaged with Welsh Government officials on the policy intent for GBE. In addition, the draft Bill was shared with officials before introduction. Due to the timescales involved this process of engagement was limited to sharing of information rather than joint development of policy or input into the drafting of the Bill.
11. There is overlap between the aims and operations of GBE and existing Welsh Government operations most directly through the company Trydan Gwyrdd Cymru. Trydan Gwyrdd Cymru is a company that has been established by the Welsh Ministers to develop renewable energy projects on the Welsh Government estate.
12. The Bill would not constrain the Welsh Ministers’ ability to continue to support Trydan Gwyrdd Cymru using the existing powers available to

them. However, given the high-level strategic approach of this Bill and information available currently on GBE in general, it is difficult to determine what the impact may be in terms of the operational application of GBE as a company and potential conflicts of competition with Trydan Gwyrdd Cymru or other aspects of Welsh Government energy delivery functions.

Provisions in the Bill for which consent is required

13. The following clauses require the consent of the Senedd to the extent that they make provision regarding Wales that falls within the Senedd's legislative competence; or otherwise have regard to the devolved matters of environmental protection and air quality, in relation to facilitating, encouraging and participating in:

- the reduction of greenhouse gas emissions from energy produced from fossil fuels, which relates to the devolved matter of the protection of the environment, and
- improvements in energy efficiency, which relates to the devolved matter of the protection of the environment and the encouragement of energy efficiency otherwise than by prohibition or regulation.
- the production, distribution, storage and supply of clean energy.

Clause 1 ('Great British Energy')

14. Clause 1 gives the Secretary of State the power to designate a company which is owned by the Crown as "Great British Energy".

Clause 2 ('Crown status')

15. Clause 2 provides that Great British Energy is not to be regarded as part of the Crown, and its property is not to be regarded as Crown property.

Clause 3 ('Objects')

16. Clause 3 sets out what objects must be included in Great British Energy's articles of association. Its objects must be restricted to facilitating, encouraging and participating in:

- (a) the production, distribution, storage and supply of clean energy,
- (b) the reduction of greenhouse gas emissions from energy produced from fossil fuels,
- (c) improvements in energy efficiency, and
- (d) measures for ensuring the security of the supply of energy.

Clause 4 ('Financial assistance')

17. Clause 4 gives the Secretary of State the power to provide financial assistance to Great British Energy in various forms.

Clause 5 ('Strategic priorities and plans')

18. Clause 5 provides for the Secretary of State to make statements of strategic priorities which Great British Energy must provide in its articles of association that it will act in accordance with.
19. Before making a statement of strategic priorities, the Secretary of State must consult with the devolved governments to the extent that the statement concerns a subject matter in relation to which the respective devolved legislatures could legislate.
20. The Secretary of State must lay a copy of any statements before parliament.

Clause 6 ('Directions')

21. Clause 6 gives the Secretary of State the power to give directions to Great British Energy. Great British Energy must comply with any such directions.
22. Before giving any directions, the Secretary of State must consult with Great British Energy and any other appropriate person. After giving a direction, it must be laid before parliament.

Clause 7 ('Annual accounts and reports')

23. Clause 7 requires Great British Energy to provide copies of its accounts and reports to the Secretary of State and to lay a copy before parliament.

Clause 8 ('Extent, commencement and short title')

24. Clause 8 provides that the Act would extend to the whole UK and would come into force on the day it is passed.

UK Government view on the need for consent

25. The UK Government consider the consent of the Senedd is required for the Bill.

Financial implications

26. There are no financial implications for Wales if the Senedd consents to the provisions applying in Wales.

Conclusion

27. The climate emergency is one of the greatest challenges we face, and Welsh Government is supportive of legislation to establish GBE to help facilitate and encourage the development of renewable energy projects. However, there is little information on the operational and practical aims of GBE. Wales has already progressed work in this area through Trydan

Gwyrdd Cymru which is an already established public energy company developing renewable energy projects in Wales on Welsh Government estate.

28. We are supportive of the Bill and GBE in general but are seeking further engagement with UK Government on the role of the Welsh Ministers and the Senedd with the Bill.
29. I will provide further updates to the Senedd on the Welsh Government's position in relation to this Bill following further engagement with UK Government on those matters and the policy intent of GBE.

Ken Skates MS
Cabinet Secretary for Economy, Transport and North Wales
08/08/2024