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By Email: RABconsultation@beis.gov.uk

Response to: BEIS consultation on a RAB model for new nuclear projects
14 October 2019

Uniper

Uniper is an international energy company with around 12,000 employees and operations in 40 countries. In the UK, Uniper operates a flexible and reliable generation portfolio, sufficient to power around six million homes. With our seven-strong fleet of power stations and our fast-cycle gas storage facility, we support the energy transition and make a tangible contribution to Britain's energy supply security.

Uniper also offers a broad range of commercial activities through its Engineering Services division, while the well-established Uniper Engineering Academy delivers high-quality technical training and government-accredited apprenticeship programmes for the utility, manufacturing and heavy industry sectors, at its purpose-built facilities near Nottingham.

We have three comments in relation to the proposed policy:

- Continuous low carbon baseload generation has a role in the future generation mix. Too much continuous baseload generation output, however, could introduce unnecessary inefficiency in a high renewable system. A combination of nuclear with wind would lead to periods where wind output is constrained off. The flexibility of gas fired generation will be needed to cost-effectively support a system with a high percentage of weather dependent renewable generation. It is essential to keep open the option of decarbonising tried and tested flexible, baseload capable, gas generation technology using CCUS and hydrogen.
- The aim should be to enable all low carbon technologies (nuclear, CCUS, hydrogen, and 'firm' renewables) to compete on an equivalent basis to ensure the lowest cost outcome. Competitive tendering of generator funding models between low carbon technology projects should be considered to achieve this.
- The guaranteed funding associated with a RAB model is significantly different to other generator business models and could give an unfair advantage in existing markets. The implications of a RAB funded generator to competition in the energy wholesale and flexibility markets and participation in the capacity market needs to be assessed. The incentive regime for the operational phase should seek to put the operator in an equivalent position, as closely as possible, to a commercial plant operator competing in the market.

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