



Ofgem Sponsorship Team

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Response to Strategy and Policy Statement for Energy Policy in Great Britain Consultation

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Uniper

Düsseldorf-based Uniper is an international energy company with activities in more than 40 countries. With around 7,000 employees, it makes an important contribution to security of supply in Europe. Uniper's core businesses are power generation in Europe, global energy trading, and a broad gas portfolio.

Uniper procures gas – including liquefied natural gas (LNG) – and other energy sources on global markets. The company owns and operates gas storage facilities with a capacity of more than 7 billion cubic meters. Uniper plans for its 22.5 GW of installed power-generating capacity in Europe to be carbon-neutral by 2035.

The company already ranks among Europe's largest operators of hydroelectric plants and intends to further expand solar and wind energy, which are essential for a more sustainable and autonomous future.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of seven power stations and a fast-cycle gas storage facility.

Consultation Response

1. Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for government in formulating policy for the energy sector in Great Britain? If not, please provide details of the priorities that you think should be included.



No. The SPS does identify a number of important policy outcomes for the energy sector in GB, but does not prioritise those outcomes and it does not clearly set out the roles of Ofgem and the FSO in delivering them, nor how the government, Ofgem and the FSO will work together.

We would like to see a much shorter and more navigable SPS that clearly sets out the different roles of government, Ofgem and the FSO and how these interact, as well as a clear prioritisation of outcomes for the energy sector and a statement that sets out how Ofgem and the FSO will be expected to apply the SPS.

2. Does the strategy and policy statement effectively set out the role of Ofgem in supporting government to deliver its priorities? If not, please identify where these expectations could be made clearer.

No. The SPS sets out a list of tasks which Ofgem is expected to deliver but does not give any indication of the priority of those tasks or how Ofgem should balance conflicting tensions, which adds no benefit to the status quo. For example, there is currently a tension between investment in electricity and gas systems ahead of need and keeping costs for consumers low: in the absence of guidance, the result is delay and inaction. The SPS should clearly prioritise the outcomes for the energy sector, so that Ofgem can deliver its work in the manner in which it considers is best calculated to further the delivery of these outcomes.

In addition, the SPS should specifically identify those decisions which are for government. Only when government has made decisions can it set strategic priorities for Ofgem and the FSO. It is appropriate for the government, Ofgem and the Future System Operator (FSO) to work collaboratively but this statement should clearly allocate decision making responsibility. For example, government is leading the work on REMA, but Ofgem is progressing work on locational marginal pricing, despite extensive counsel from a wide range of stakeholders setting out the negative consequences of this approach: the SPS should make it clear which body is ultimately responsible for the decision on locational marginal pricing, and how each body will take account of the work of the other.

The SPS should also make it clear how Ofgem and the FSO are going to be resourced to deliver their work as set out by the SPS. Given the scale and the pace of the work that needs to happen in the energy sector, there will need to be investment to ensure that both bodies have the staff, systems and skills to deliver.

3. Given the Future System Operator does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the Future System Operator's role in this document? If not, please identify where these expectations could be made clearer.

No. The SPS provides very little detail about the future role of the FSO and about the transition from the ESO to the FSO. The SPS needs to set out clearly the ESO's priorities as it transitions, as well as the role of the FSO in relation to the roles of Ofgem and government, demonstrating how each of the bodies will work together and not cut across each other. As the FSO comes into being and more detail of its duties are developed the SPS should be revised to capture this.

As noted above, the SPS should also set out how the FSO will be resourced to deliver.