



By email: energy.infrastructure.benefits@energysecurity.gov.uk

Uniper UK Limited

Compton House
2300 The Crescent
Birmingham Business Park
Birmingham B37 7YE
www.uniper.energy

Uniper

Registered in
England and Wales
Company No 2796628

Registered Office:
Compton House
2300 The Crescent
Birmingham Business Park
Birmingham B37 7YE

Response to: Community benefits and shared ownership for low carbon energy infrastructure

16 July, 2025

About Uniper

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With approximately 8,000 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden and the Netherlands.

Uniper's operations encompass 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 total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by the early 2030s. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

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.

About Uniper in the UK

In the UK, Uniper owns and operates a flexible generation portfolio of power stations, a fast-cycle gas storage facility and two high pressure gas pipelines, from Theddlethorpe to Killingholme and from Blyborough to Cottam. We also have significant long-term regasification capacity at the Grain LNG terminal in Kent, to convert LNG back to natural gas.

The UK is a core market where Uniper's commitment to invest approximately €8 billion to support its strategic decarbonisation efforts and transformation by the early 2030s sees potential investment in new low carbon power generation and solar and onshore wind projects in the UK.

Consultation Response

We have set out below our answers to the consultation questions. Our views in summary:

- We are not convinced that a community benefits scheme offers a stronger case than alternative approaches, such as allocating a hypothecated portion of business rates.
- The proposed uniform approach raises several concerns, particularly around identifying recipients, reputational risks, misuse risks and lack of flexibility.
- Any future policy should consider the differing land use requirements, project risks, load factors, cost profiles, and the distinct forms of existing community benefit, such as job creation and retention, associated with each low-carbon technology.

Our views in full:

1. Do you agree with the principle that developers must provide community benefit funds?

We agree in principle that local communities should share in the benefits of these developments in their area. However, we are not convinced that a community benefits scheme offers a stronger case than alternative approaches, such as allocating a hypothecated portion of business rates.

There are a number of challenges associated with developers providing community benefits, particularly in the form of pure finance, which include:

- **Community partners** – Identifying the appropriate community partner or partners to receive the financial contribution is a critical consideration but highly challenging and resource intensive. Options include direct payments to residents, though this may present logistical and equity challenges, or a one-off lump sum provided to a local organisation. There are a number of considerations and risks associated with selecting a local organisation: community groups may be better at directing funding towards the most impacted members of the community but may not have the capacity to administer such funds properly, whereas directing either a lump sum or annual payment to the local Parish, Borough, or County Council may offer a more stable and accountable route but is associated with risks such as political use of funding (see next point).
- **Potential misuse of funds** – There is a risk that developer contributions could be misused or diverted from their intended community benefit due to a lack of clear accountability in the proposed scheme. Without safeguards or guidance on withholding or withdrawing funding, funds may be used for political purposes or projects lacking public support. This could undermine trust, spark local controversy and place developers at the centre of disputes over fund use, despite having little control, exposing them to reputational risk.
- **Public perception** – Voluntary community benefit payments, if not carefully structured and transparently managed, risk being perceived as inappropriate and ethically questionable. These contributions could be viewed by some stakeholders as a form of inducement, bribery, or so-called “hush money” designed to secure local support and silence opposition to a development. Such perceptions can undermine trust in both the developer and the integrity of the local council (or other recipient).

- **Lack of bespoke and flexible packages** – A mandatory approach could prevent us from tailoring benefit packages to local needs and designing non-financial contributions which may be hard to monetise directly. For example, at our Connah's Quay power station in North Wales, we offer an education centre which provides local children and students the opportunity to come to learn about different electricity generation technologies, and how traditional and carbon abated gas fired power stations operate. The centre also helps raise awareness of potential career paths in the energy sector.
- **Proportionality** – In all considerations of community benefits, proportionality for developers must be considered, as well as adequacy for local communities. If community benefit expectations or requirements do not take account of different project scale, load factor, and technology type, they risk undermining the commercial case for, in particular, small-scale projects, large-capacity and low-load factor assets, and emerging technologies. While these packages can deliver benefits equivalent to £5,000 per MW installed per year, our flexible approach allows us to provide them more efficiently, maximising community impact and optimising overall project costs.
- **Regressive approach** – Community benefit payments represent an additional cost that will, in practice, be passed through to energy consumers. As currently proposed, this approach risks creating an inequitable form of redistribution. This is because it draws funds from all bill payers, regardless of their income or ability to pay, and reallocates them to a relatively small group of individuals based solely on their geographic proximity to a low-carbon generation asset. A community benefit applied inconsistently creates a market distorting cost in a national electricity market. This could work against the government's wider ambition to bring down electricity costs for all households and businesses.
- **Lack of technology-specific approach** – A uniform approach to community benefits would fail to account for the varying impacts different technologies have on local communities. Onshore renewables and major dispatchable power projects are typically developed in different types of locations and land use contexts. The extent of local benefits also differ significantly, for example, carbon CCS plants often retain and create skilled jobs both directly and through associated supply chains, offering more sustained economic value to host communities compared to some other technologies. Our Connah's Quay power station employs approximately 100 people at the site. During site outages the number of people working at the power station can exceed 400 people.

The mandatory community benefits proposed in this consultation are essentially a form of hypothecated tax and it may be more efficient and transparent to treat these contributions as an element of the business rates that developers already incur, with funds centrally collected and redistributed by government. This central approach would improve administrative efficiency and accountability and help mitigate some of the risks and challenges outlined above.

2. Considering the policy parameters for the scope proposed above, what types of low carbon energy infrastructure should be included within the scope of the policy?

We are not yet convinced that a community benefits scheme offers a stronger case than alternative approaches, such as allocating a hypothecated portion of business rates.

However, if a mandatory scheme is implemented, in principle all technologies must be subject to it, otherwise the issue of fund provision may be politicised to favour or discourage one technology over another. A uniform approach, however, would fail to reflect the differing impacts and contributions of various technologies. Onshore renewables and major dispatchable projects are typically located in different settings and affect communities in different ways. Uniper's proposed projects would utilise already developed land such as Connah's Quay and sites of former coal fired power stations such as Ratcliffe and Medway One.

3. What would be the impacts on specific low carbon energy infrastructure technologies of bringing them into the scope of this potential scheme?

The impact of any scheme will largely depend on its design and the level of any mandated contribution. However, we anticipate that all low carbon technologies would be adversely affected, with our internal analysis suggesting that a mandatory contribution of £5,000 per MW installed would be prohibitively high for most solar projects. This is due to the generation profile and relative low load factor of solar developments compared to other renewable generation assets.

It would also be disproportionate for critically needed low carbon dispatchable generation plant, such as our Connah's Quay Low Carbon Power project in North Wales, which would be developed on the site of our existing gas-fired power station. A per MW installed requirement would not take into account the fact that the plant would be expected to run at increasingly low load factors as the grid decarbonises – in the later years those installed MW may only be operating, and generating market revenue, 5% of the time. In contrast, offshore wind projects, which would be subject to the same community benefit scheme, can reach a load factor of 45%.

4. Do you agree that there needs to be provision for amending the scope of the policy in future to ensure that it can be adapted to fit future technological changes, and remains in line with the criteria set out above?

Yes.

5. Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure?

No. The proposed scheme in its current form will discourage co-location by increasing associated costs. Any future community benefit policy should promote co-location, recognising its efficiency advantages and role in enhancing energy security.

Thresholds

6. Do you agree with the proposed mandatory community benefits threshold of 5MW for power generating and storage assets?

No. We are not yet convinced that a community benefits scheme offers a stronger case than alternative approaches, such as allocating a hypothecated portion of business rates.

7. Should the threshold vary by technology in order to accommodate nascent technology (such as floating offshore wind)?

Yes. If a community benefit scheme is introduced, both the thresholds and overall approach should vary by technology, irrespective of its stage of development. Any future policy should reflect the differing land use, project risks, load factors, community needs, cost profiles, and direct community benefits, such as job creation and retention, associated with each low carbon technology.

8. How should shared ownership arrangements interact with any mandated community benefit fund contributions?

Shared ownership arrangements should be optional and form part of a wider community benefit package which can be tailored to local needs.

9. Are there any project types that should be exempt from a potential mandatory community benefits scheme?

Please see our response to Question 6.

Level of benefits

10. For those developers already offering community benefits on a voluntary basis, how are these funded?

Community benefits are normally funded by the developer through project costs. As these schemes are in place for the lifetime of the asset, they may also be funded by the asset owner or operator. In case of renewable CfD projects, costs are included in the strike price – and we would expect a similar approach for projects supported by other schemes, such as the Dispatchable Power Agreement.

11. Recognising the need for flexibility, are there any impacts or considerations of funding community-led projects that should be taken into account?

Uniper is not involved in community-led projects.

12. Do you foresee any challenges for developers to fund mandatory community benefits? Does this differ between technologies?

Yes.

While project financing and barriers vary across technologies, a mandatory approach with limited flexibility would significantly impact the commercial case of low carbon projects, particularly small scale and low load factor assets. A mandatory contribution of £5,000 per MW installed, for example, would be prohibitively high for most solar projects. Low carbon dispatchable technologies, which already face significant financial, commercial, policy and planning risks, would also be disproportionately affected, with this scheme potentially adding £5 million onto the annual project costs of a 1-GW Power CCS plant. There is also necessarily an increase in complexity and administrative costs, further increasing the cost of schemes.

13. How can significantly larger community funds be best managed (requirements to use regional funds, introduction of a cap on funding, limit on cap duration)?

No response.

14. Do you have a preference for either of the proposed methods for calculating the level of contribution payable in respect of energy generating stations (i.e. by reference to either installed capacity or generation output)? Are there any further considerations relating to either option which require exploration?

A payment based on installed megawatts (MW) provides consistency, certainty and simplicity for communities. However, this approach would not reflect the different load factor and cost profiles of generating technologies. For example, nuclear assets may operate at load factors exceeding 75%, while low carbon dispatchables could run as little as 5% of the time toward the end of their asset lives.

A payment mechanism based on actual generation (MWh) output is more financially sustainable for developers, particularly in low-load years.

15. Do you agree with the principles of seeking to enable combining funds and utilising regional funds?

Yes.

16. Do you agree with the outline proposals for a) when payments apply, b) index-linking, c) changes to project lifespan/capacity/ownership, and d) suspension of payments?

Yes, if a mandatory community scheme is introduced, all outlined proposals (a to d) should be implemented.

17. Do you agree with the proposals to place the developer obligations for community benefits on the relevant licence-holder (e.g. a licence for generation of electricity under the Electricity Act 1989)? Are there any further considerations that should be taken into account regarding ownership and change of project ownership?

If a mandatory scheme is introduced, yes.

18. Are there any other aspects on funding that should be considered?

The government should explore alternative policy options, such as introducing a mandatory funding mechanism, potentially via business rates or other forms of taxation. At the same time, developers should be able to offset some or all of their financial obligations through more innovative, meaningful, and cost-effective community benefit initiatives. These could include, but are not limited to, education programmes, bursary schemes, skills development opportunities, or support for local events and activities. Tailored initiatives such as these should not be crowded out by a requirement to provide finance, which may not deliver the same value to the community.

Use of funds

19. Do you agree or disagree that we should not produce prescriptive guidance on what the fund can be used for? Are there any other factors that should be considered?

No, we disagree. If a mandatory scheme is introduced, there should be prescriptive guidance on what the fund can be used for, prohibiting the use of fund for political purposes or projects that lack broad community support and requiring fund administrators to consult with local communities on the best use of funds for the benefit of those communities. Improved guidance and binding legislation governing when funds may be cancelled will also be required, to protect developers and the community from misuse of such funds.

Administration

20. Do you agree with the suggested roles and responsibilities defined for the developer, fund administrator, administrative body, community representatives and community, and with the proposed governance structure? Would you suggest any amendments?

No, we disagree. While this administrative arrangement may work well for some projects and communities, others will require greater flexibility, allowing developers to support local areas through alternative channels such as community projects, third-party providers or charitable organisations.

21. Do you agree that some flexibility in the governance structure is needed? If yes, do you think that the suggested 'truncated' governance approach would adequately capture and reflect the needs of smaller funds or communities with less capacity?

Yes, we agree that flexibility in the governance structure is essential. If a mandatory scheme is introduced, it should be both adaptable and responsive to reflect varying local needs, project characteristics, and installed capacity.

22. Do you agree with the proposed approach to the decision-making process?

No, we disagree. Please see our response to Question 20.

23. Do you agree with the deadline of one year before payment is due for having governance structures in place?

No. If implemented, a future community benefit framework should be flexible and not specify the timeline for establishing governance structures as many low carbon projects may require more complex structures. This is particularly true if a developer wishes to coordinate with other projects in the locality to produce a "combined" approach to fund provision, offering greater efficiency, scope, and flexibility.

24. What would be an appropriate cap on spending from the fund for administrative functions? What costs can you anticipate the fund structure would entail? What costs have you incurred in setting up voluntary schemes? Do you think we should set out a sliding scale for larger projects?

A future community benefit framework should be flexible and the cap on spending should be set on a case-by-case basis, through negotiations between the developer and the local community.

Enforcement

25. Do you agree with the suggested approach to enforcement of this potential scheme? To what extent do you think the enforcement mechanism outlined above is appropriate and proportionate for this potential scheme? What other details could be considered?

No, we disagree.

If funds become mandatory, then improved guidance and binding legislation governing when funds may be cancelled will also be required, to protect developers and the community from misuse of such funds. It is essential that the developer:

- can cease to provide any further funding until the breach is remedied;
- is not liable for the costs of remedying the breach;
- can be compensated for any material losses suffered as a result (for example, reputational damage);
- need not resume payments until the dispute is resolved.

26. Do you agree with the proposed chain for dispute resolution between communities and administrators? Is the proposed escalating chain for resolving disputes appropriate and proportionate? Do you think we should include any more specific instances or reasons for enforcement action to ensure the robustness of the scheme?

No response.

27. Should consideration be given to imposing any of the proposed enforcement actions on other persons or groups under the scheme?

No response.

28. What do respondents think would be a practical use for any additional revenue generated from civil penalties?

No response.

Defining communities

29. Do you think a case-by-case approach to defining the community is appropriate? Are there any other bodies or groups not listed above that should be part of the engagement process for determining eligibility?

Yes. Local communities should be defined with flexibility and considered on a case-by-case basis. The engagement list should serve as guidance rather than a fixed

requirement, as many of the stakeholders identified in the working paper may not be relevant to all low carbon projects.

30. Do you agree that capacity building will be required in communities? What do you believe this should look like and who do you believe is best equipped to carry this out? Please provide reasons for your answers.

Yes, capacity building should be an eligible community benefit expense.

31. Do you agree that capacity building and engagement should be funded by the community benefit fund administration budget? What do you believe should be done in cases where the administrative cost of capacity building and engagement initiatives are too costly for smaller-scale projects?

No. Please see our response to Question 30.

32. Do you agree community engagement should be led by the fund administrator? Do you believe our proposals have any unfair impacts on those with protected characteristics? If yes, which groups do you expect would be specifically impacted? Please provide supporting evidence.

No. Please see our response to Question 30.

Part 2: Shared ownership

Response to Questions 33 to 47

33. Are you aware of evidence which suggests that shared ownership has or has not delivered the benefits referred to above?

No response.

34. Are you aware of any evidence to support other benefits of shared ownership for either communities and/or developers?

No response.

35. Are you aware of any risks arising from encouraging shared ownership schemes?

Shared ownership can add complexity and uncertainty, especially in large, multi-asset portfolios, by complicating liability and risk management. It should remain an optional element within community benefit packages, and we oppose making it mandatory.

36. What are the barriers to shared ownership in Great Britain?

No response.

37. Do certain communities face barriers to shared ownership more so than others? If so, how and/or why?

No response.

38. How can government ensure that low-income communities, or those experiencing higher rates of fuel poverty, are able to engage with shared ownership offers?

No response.

39. Do certain developers and/or particular sectors face barriers to shared ownership more so than others? If so, how and/or why?

No response.

40. Does a particular barrier represent more of a barrier to shared ownership than others? If so, which and how?

No response.

41. What actions can the government take to address these barriers and promote further uptake of shared ownership, particularly in England?

No response.

42. How successful has a voluntary approach to shared ownership been? Should the government continue with a voluntary approach or consider expanding shared ownership, possibly via a requirement for developers to offer shared ownership to eligible communities?

No response.

43. If shared ownership is expanded, should regulations be made in accordance with the existing provisions relating to the 'Community Electricity Right' in the 2015 Act? If you consider that amendments should be made to the scope of the existing provisions, what changes should be made and why?

No response.

44. If shared ownership is expanded, how will communities and developers need to be supported for a mandatory shared ownership scheme to be successful?

No response.

45. If shared ownership is expanded, should there be exemptions to the expansion?

Yes. Major projects with complex portfolios should be exempt.

46. If shared ownership is expanded, how should developers' engagement with communities take place?

No response.

47. Are you aware of any risks or potential adverse impacts arising from expanding shared ownership either in line with the 2015 Act provisions or otherwise?

No response.