



Rt Hon Grant Shapps MP
Secretary of State
Department for Energy Security and Net Zero
1 Victoria Street
London
SW1H 0ET

3 March 2023

Dear Mr Shapps

Further to earlier correspondence from our respective organisations, we remain concerned that Ofgem has not been granted the powers or mandate necessary to fulfil the Government's ambitions for Net Zero.

Energy Networks Association and Green Alliance both lead coalitions made up of the majority of the UK's energy trade associations and over forty leading anti-poverty and environmental organisations, representing the vast majority of the UK's energy industry and a large contingent of civil society.

We fully recognise the challenges faced by customers and, as the charities and businesses which serve them, we agree that resolving the immediate challenges should be, and are, the Government's top priority. However, the long-term importance of the Energy Security Bill cannot be understated.

The foundations of our future energy system are already being built and the regulatory decisions that determine our ability to meet the UK's climate change targets are being made by Ofgem today. Central to the Government's plans to get more EVs on our roads, heat pumps connected, Net Zero heat networks built, CO2 captured and stored, and the growth of a hydrogen economy, is delivery of energy infrastructure today that meets the Government's targets for the future.

Government departments and the Future System Operator are all aligned with the 2008 Climate Change Act, and it is vitally important that the regulator be aligned also. Empowering Ofgem with a Net Zero

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mandate will allow for strategic investment, removing a clear barrier to investment in the low-cost, low-carbon energy system we are all working towards. As the first piece of primary legislation of this type in a decade, the Energy Security Bill is the prime opportunity to deliver this vital change. At the same time, and alongside a new Net Zero Duty, we urge the Government to publish the long-awaited Strategic Policy Statement to Ofgem so they can further the delivery of net zero in their decision making.

We would be delighted to continue to work closely with Government to ensure that a successful Bill passes through Parliament in as timely a way as is possible. As a first step, we would be happy to brief you on our collective priorities for this winter and the years to come.

We look forward to hearing from you.

Yours sincerely



Lawrence Slade
Chief Executive
Energy Networks Association



Shaun Spiers
Executive Director
Green Alliance

Industry body co-signatories

The Association for Decentralised Energy
The Association for Renewable Energy and Clean Technology
The Carbon Capture and Storage Association
The Electricity Storage Network
Global Infrastructure Investor Association
Hydrogen UK
Regen
Renewable UK