



HOUSE OF LORDS

European Affairs Committee

House of Lords
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09 September 2026

Rt Hon Hamish Falconer MP
Minister for Intergovernmental Relations and European Relations
Cabinet Office
70 Whitehall
London
SW1A 2AS

Dear Minister,

COM(2025)804: Recommendation for a Council Decision authorising the opening of negotiations between the European Union and the United Kingdom of Great Britain and Northern Ireland on the participation of the United Kingdom in the internal electricity market of the Union and on the financial contribution of the United Kingdom towards reducing economic and social disparities between the regions of the Union.

Thank you for the letter dated 13 July 2026, sent by your predecessor, which was considered by the House of Lords European Affairs Committee at its meeting of 8 September 2026.

With respect to a possible Electricity Agreement with the EU, enabling the UK to participate in the Internal Electricity Market (IEM), we would be grateful if you could confirm, following the change of Prime Minister, that the Government is continuing to pursue such an agreement. Does the Government continue to regard the 'outcomes document' agreed between the UK and the EU in December 2025, following their exploratory talks, as a satisfactory basis for the negotiations, or have the Government's priorities or positions changed in any way? Roughly when does the Government now aim for these negotiations to be concluded and for the UK's participation in the IEM to take effect?

With respect to a possible agreement on an ongoing UK financial contribution towards the aims of EU cohesion policy, we would be grateful to know, first, whether formal negotiations with the EU for such an agreement have been opened. Second, we have been seeking to understand where the Government believes the financial balance can be found between the possible benefits of the UK's participation in the Internal Electricity Market and the cost of any potential contribution to EU cohesion policy. The Committee would be interested in your views on this matter, as the new Minister responsible for these negotiations.

We retain our interest in this matter and look forward to considering your reply within the usual 10-day deadline.

A handwritten signature in blue ink, appearing to read 'C. Stirrup', with a long, sweeping horizontal line extending to the right.

Lord Stirrup KG GCB AFC

Chair of the European Affairs Committee