

Scottish Affairs Committee

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From the Chair, Pete Wishart MP

Department for Business, Energy and Industrial Strategy
1 Victoria Street
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13 July 2021

Dear Anne-Marie Trevelyan

Thank you for coming to give evidence to the Scottish Affairs Committee yesterday for our inquiry into renewable energy in Scotland. It was a very informative session.

I am writing to you as there were two points that you said you would write to us about and some additional questions.

The points you said you would write to us about are:

- Could you tell us when the results of the call for evidence on *Potential of marine energy projects in Great Britain* will be published, and which technologies were covered by the call for evidence?
- How much are UK exports of wind energy products and services worth a year?

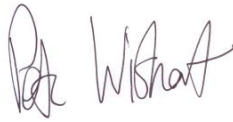
These are the additional questions:

- What discussions has the UK Government had with Ofgem about the [social and environmental guidance to the gas and electricity markets authority](#) issued by the Coalition Government in 2010 that still stands since it has not been changed by successive governments?
- Do you have plans to replace the social and environmental guidance? If so, when will it be issued?
- Has the UK Government considered the information gathered in the 2014 consultation on the [strategy and policy statement](#) for Ofgem? Are there plans to launch a new consultation on guidance to Ofgem?

- What recourse does the UK Government have if Ofgem do not follow guidelines laid down by the UK Government?

We would appreciate your thoughts on these key matters. We look forward to hearing from you, preferably by return, or ideally, by 15 July.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Pete Wishart'.

Pete Wishart MP
Chair, Scottish Affairs Committee



Department for
Business, Energy
& Industrial Strategy

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15 July 2021

Dear Pete,

Thank you for your letter of 13 July, following my Oral Evidence to the Scottish Affairs Committee's Inquiry on Renewable Energy in Scotland. During the oral evidence I gave to this Enquiry, I promised to respond in writing to the Committee's questions on marine energy and wind exports. I will endeavour to answer these, and the additional points raised in your letter, in turn.

1. **Could you tell us when the results of the Call for Evidence on *Potential of marine energy projects in Great Britain* will be published, and which technologies were covered by the call for evidence?**

The Marine Energy Call for Evidence sought evidence on the scope for innovative marine energy technologies across Great Britain, including floating offshore wind and wave and tidal energy. We are continuing to evaluate the commercial and technical evidence received from the Call for Evidence and intend to publish a full response in due course once we have completed our analysis and consideration.

2. **How much are UK exports of wind energy products and services worth a year?**

Latest figures from the Office of National Statistics (ONS) (published May 2021: <https://www.ons.gov.uk/economy/environmentalaccounts/datasets/lowcarbonandrenewableenergyeconomyfirstestimatesdataset>) show that in 2019, UK exports of wind products and services were worth an estimated £1.03 billion. This is made up of offshore wind exports (est. £951 million) and onshore wind exports (est. £82 million). Based on ONS data from 2014-2019, officials have calculated that UK wind exports averaged an estimated £544 million over five years. Details are included in the table below:

Exports (£ thousand)		2014	2015	2016	2017	2018	2019	5 year average
		estimate	estimate	estimate	estimate	estimate	estimate	
Offshore wind	UK	672,500	221,500	237,500	470,500	479,000	951,000	471,900
Onshore wind	UK	302,000	95,500	62,500	52,500	71,000	82,000	72,700
Total wind		974,500	317,000	300,000	523,000	550,000	1,033,000	544,600

3. What discussions has the UK Government had with Ofgem about the social and environmental guidance to the gas and electricity markets authority issued by the Coalition Government in 2010 that still stands since it has not been changed by successive governments?

The Government acknowledges that Ofgem has been upholding its responsibilities under the social and environmental guidance and Ofgem has communicated these outcomes to Government since the guidance was issued. Government has now initiated an ongoing dialogue with Ofgem regarding plans and policy development for the energy sector through the Strategy and Policy Statement (SPS). Before the SPS is designated, we must consult twice, and Ofgem will be consulted each time.

4. What plans do you have to replace the social and environmental guidance? If so, when will it be issued?

The Social and Environmental Guidance will be superseded by an energy sector Strategy and Policy Statement (SPS). As per the Energy White Paper commitment, the Government will be consulting on the SPS during 2021.

5. Has the UK Government considered the information gathered in the 2014 consultation on the strategy and policy statement for Ofgem? Are there plans to launch a new consultation on guidance to Ofgem?

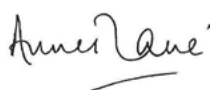
The Government received 29 responses to the 2014 consultation on a Strategy and Policy Statement for Ofgem. The information gathered from this consultation has been regarded in the development of the SPS and, as per the Energy White Paper commitment, we will consult on the draft SPS during 2021. I look forward to hearing insight and views from respondents in the next consultation.

6. What recourse does the UK Government have if Ofgem do not follow guidelines laid down by the UK Government?

Ofgem is accountable to Parliament and is required to uphold high standards of transparency across all its operations. It publishes annual reports, key deliverables and performance indicators, and strategic priorities; through which the Government can hold Ofgem to account in terms of upholding their statutory duties and following the Social and Environmental Guidance. Once the SPS is designated, it will create a clear source of legal accountability where Ofgem must consider the Government's strategic priorities and policy outcomes when making regulatory decisions and will be required to report annually on their plans for implementation and progress made against these priorities and policy outcomes.

Thank you again for raising these issues and for your work on this Inquiry. I do hope this response is helpful.

Yours sincerely,



THE RT HON ANNE-MARIE TREVELYAN MP
Minister of State for Energy, Clean Growth and Climate Change