



26 October 2021

To the Rt. Hon. Tobias Ellwood MP, Chair of the Defence Committee,

GE Power
Steam Power

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Thank you for your letter of 18 October 2021 to Andy Cooper at GE Power Conversion. The points raised relate to GE Steam Power which is operated as a separate business within General Electric Company. As such I have taken the opportunity to respond in this first instance and offer to be the primary point of contact should the Committee determine that more information is required. My specific responsibilities in the company relate to GE Steam Power global Operations and this includes engineering and supply chain. Some of the activities on the Rugby site are included in this. Notably, the manufacture of steam turbine engines, generators and associated ancillary equipment. GE Power Conversion also operates from Rugby and both of these GE businesses design and supply products to BAE Systems (BAES).

On 22 September 2021, GE confirmed that it was engaged in preliminary discussions with EDF regarding a potential transaction related to part of GE Steam Power. As of yet, no agreement has been reached and there can be no assurances that any transaction will result from these discussions. It is too early in our conversations to confirm what scope may be included. Should anything materialise from these preliminary discussions it would, hypothetically, be a non-binding agreement that would then trigger the appropriate reviews and consultations across all stakeholders. We anticipate that this would include key customers such as BAES, all other relevant stakeholders, as well as our UK and European employee representatives.

If such circumstances were to arise and once we have clarity on the exact scope of any potential transaction, we will ensure that any UK national security implications are correctly reviewed and addressed. We will engage with BAES regarding the Naval programs should discussions with EDF reach a point where such conversations can begin.



There are three GE sites in Rugby; two are GE Power Conversion sites (Boughton Road and Leicester Road) which were acquired by GE through the acquisition of Converteam in 2011. These sites are not part of GE Steam Power and so are not in scope of the preliminary discussions with EDF. In your letter, you refer to the deed poll put in place during the acquisition. This applies to GE Power Conversion and not to GE Steam Power.

GE Steam Power's site in Rugby (Newbold Road) was acquired through the acquisition of Alstom's power business in 2015. The acquired business included two legal entities which design, develop and manufacture equipment for BAES Navy programs in Rugby. The two GE Steam Power entities include a workshop that has three main pillars of work: steam turbine repairs, generator new rotors and repairs and new steam turbines for naval application. All three pillars contribute to the long-term viability of this facility.

BAES is an important customer to GE Steam Power, and we are pleased to be able to contribute in this way to the enduring goals of the Ministry of Defense. I hope this information proves helpful and I remain at your disposal should the Committee have any questions or concerns in due course.

A handwritten signature in black ink, appearing to read 'Christian Stephenson'.

Christian Stephenson
Senior Executive Director
GE Steam Power