

Response to Call for Evidence and Projects National Development Framework

ENGIE UK

ENGIE, formerly known as GDF SUEZ, is a global energy company operating in three key sectors of power, natural gas and energy services. The company puts responsible growth at the heart of all its businesses in order to address major energy and environmental challenges: responding to the demand for energy, ensuring security of supply, combating climate change and making optimum use of resources.

ENGIE is present in 70 countries worldwide and has expertise in four key sectors: independent power generation, liquefied natural gas, renewable energy and energy efficiency services.

In the UK, ENGIE has interests in a number of activities across the energy value chain, from gas exploration and production through to services. In total, ENGIE employs approximately 20,000 people throughout the UK across all of its businesses. In generation, ENGIE is one of the country's largest independent power producers, with interests in approximately 4,000 MW of plant. This comprises a mixed portfolio of generation assets that include gas, CHP, onshore wind, solar and the UK's foremost pumped storage facility. ENGIE owns an Industrial and Commercial (I&C) electricity and gas supply business in the UK, and owns the country's largest district heating business, providing district energy solutions to the public, commercial, industrial and residential sectors. Key sites include the Olympic Park District Heating facility in London. It is also one of the top five service companies in the UK, subsequent to the acquisitions of Balfour Beatty Workplace and Lend Lease FM.

ENGIE welcomes the opportunity to respond to this call-for-evidence.

Executive Summary

- ENGIE is making a major multi-million pound investment in Ffestiniog Power station to refurbish the UK's first major pumped storage power facility. This is a significant investment for the economy in North Wales which will provide employment and contribute to energy security both in Wales and the wider UK energy system. This will directly link with the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015' contributing to the objective of ensuring a prosperous and resilient Wales".
- In order to support the objective of achieving a globally responsible and prosperous Wales it is essential to ensure that additional renewable energy is provided to supply future developments. Government should outline a robust, coherent, long-term renewable energy ambition along with a clear strategy linking the sustainable growth of Welsh renewable energy to the wider economic objectives for housing, industrial and transport sectors. The Welsh Government should take a holistic view, ensuring that future energy requirements have been properly considered for all sectors whilst providing the clearest possible signal to businesses to invest in new clean energy.
- To achieve lower subsidies, one particular support that mature renewables require is supportive planning policy. Wind turbines of 200m in height are now common across Europe. With the superior wind resource across Wales compared to large parts of Europe use of the latest technology wind

turbines would significantly reduce the cost of energy, making wind energy by far the cheapest form of new energy generation, green or otherwise. For this reason, ENGIE believes that there should be designated areas for nationally significant renewable energy developments within Wales. This approach would be consistent with the objective of achieving a 'globally responsible and resilient Wales'.

- It is critical to encourage greater levels of investment in a more flexible energy grid if Wales is to facilitate the further penetration of renewable energy on the system and ensure the decarbonisation of heat and transport sectors via electrification.
- Policies should encourage the local generation of energy whether onsite or locally (District Energy Schemes) through microgrids or the distribution network. The use of clean local energy should be recognised, perhaps through reduced business rates or in improved EPC ratings.
- It should be recognised that Tidal Barrages may have a part to play in the future energy mix and a pilot project is needed to help understand the longer term potential of this energy resource.

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