

Committee for the Economy

Report on the Legislative Consent Memorandum for the Great British Energy Bill

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Mandate 2022-27 1st Report

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Powers and Membership

Powers

- 1. The Committee for the Economy is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department for Communities and has a role in the initiation of legislation.
- 2. The Committee has power to:
 - consider and advise on Departmental budgets and Annual Plans in the context of the overall budget allocation;
 - approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
 - call for persons and papers;
 - initiate enquiries and make reports; and
 - consider and advise on matters brought to the Committee by the Minister of Communities.

Membership

3. The Committee has nine Members, including a Chairperson and Deputy Chairperson, and a quorum of five Members. The membership of the Committee is as follows:

Mr Phillip Brett MLA (Chairperson)

Mr Gary Middleton MLA (Deputy Chairperson)

Ms Diana Armstrong MLA¹²³

Mr Jonathan Buckley MLA

Mr Pádraig Delargy MLA

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Mr David Honeyford MLA

Mr Philip McGuigan MLA

Ms Sinéad McLaughlin MLA

Ms Kate Nicholl MLA4

¹On 17 June 2024 Mr Doug Beattie MC replaced Mr Mike Nesbitt

² On 9 September 2024 Mr Colin Crawford replaced Mr Doug Beattie MC

³ On 7 October 2024 Ms Diana Armstrong replaced Mr Colin Crawford

⁴ On 11 September 2024 Ms Kate Nicholl replaced Ms Sorcha Eastwood MP

Background

- 4. The Great British Energy Bill was introduced to Westminster on 25 July 2024. The Bill is designed to create a new energy company which would operate on a UK-wide basis and would: drive clean energy deployment, create jobs, boost energy independence, and provide value for the UK taxpayer. The company would also invest in, own, and develop clean energy projects "to de-risk and accelerate the delivery of projects."
- 5. In correspondence to the Economy Committee in September 2024, the Minister for the Economy also indicated that the company, likely to be called Great British Energy, was expected to have the following functions:
 - project investment and ownership to generate publicly-owned revenue to reinvest in future energy projects to the benefit of taxpayers.
 - project development in partnership with The Crown Estate (TCE) aiming to bring forward new offshore wind of up to 20-30GW to the market by 2030 and invest in ports.
 - development of Local Power Plans to make communities stakeholders in local small to medium scale renewable projects (i.e. 5MW-10MW wind and solar farms).
 - development of the supply chain a new National Wealth Fund is to deliver a comprehensive package of support for domestic clean energy supply chains.
 - Great British Nuclear which will deliver the UK Government's nuclear programme.
- 6. The Committee understood that the above was linked to a recent UK Government announcement of £8.3bn of funding for Great British Energy over the course of this UK Parliament, including £3.3bn for local and community energy projects.
- 7. The Committee further understood that the National Wealth Fund is part of UK Government plans for the realignment of the UK Infrastructure Bank and the British Business Bank. The details of the remit of the National Wealth Fund or how it will interact with devolved government activities had not been provided.
- 8. The Department advised that Clause 3 of the Bill which details the articles of association for the company covers devolved matters including:
 - the production, distribution, storage and supply of clean energy,
 - the reduction of greenhouse gas emissions from energy produced from fossil fuels.
 - improvements in energy efficiency, and
 - measures for ensuring the security of the supply of energy

Consideration of the Legislative Consent Memorandum by the Committee

- 9. The Committee was briefed by the Department at its meeting of 8 January 2025.
- 10. The Department advised that Clause 5 of the Bill as introduced required the Secretary of State for Energy and Net Zero to bring forward a statement of strategic priorities for Great British Energy. Officials indicated that the UK Government had agreed to amend the clause such that instead of merely consulting with the Department in this regard, it will instead seek the consent of the Department where the priorities are within the legislative competence of the Northern Ireland Assembly. It appeared that on this basis, the Minister was content to support a motion to provide legislative consent in line with Standing Order 42A.
- 11. The Committee noted that the Scottish Government and Welsh Government had both laid memoranda in the relevant devolved parliaments expressing general support for the Bill but also setting out reservations that Clause 3 was broadly drawn and might impinge on different devolved responsibilities. The Welsh Government referred to an overlap with environmental and air quality issues which lie within its devolved competence.
- 12. The Committee noted also that, further to this, the UK Government amendment to Clause 5 as it referred to Wales and Scotland required consultation with Welsh and Scotlish ministers rather than a single department, presumably so as to include those ministers with responsibility for the environment and air quality and not just energy matters. It was notable that the Northern Ireland amendment differed.
- 13. The Committee also discussed a number of key issues including: the delay in the provision of Executive approval and the consequent delay to the laying of the relevant Legislative Consent Motion; and the development of renewable energy resources in Northern Ireland and the interaction between the Bill and devolved competencies.
- 14. In the absence of clarity during the evidence session of 8 January 2025, the Committee agreed to write to the Department urgently seeking clarity in respect of:
 - how the renewable energy development of the NI coastal seabed by the new energy company would impact on devolved responsibilities;
 - the degree of agency that the Executive would enjoy in respect of the allocation of renewable energy development funding by the new energy company in Northern Ireland; and
 - how and when key energy players in NI would be consulted by the new energy company as it implements its strategy.
- 15. In response to the Committee gueries above, the Department indicated:

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- in respect of offshore renewable energy, Great British Energy would be unable to develop renewable projects without a seabed lease and licences granted by NI departments;
- clarity could not be provided in respect of the degree of agency that the Executive will enjoy in respect of directing Great British Energy investment; and
- Great British Energy is expected to engage with key energy players in Northern Ireland in due course in respect of its role.
- 16. The Committee noted that the UK Government was likely to require the consent of the Assembly to legislate on the relevant devolved matters in early February 2025 and that consequently the Committee had very little time to scrutinise the provisions in question. Consequently, the Committee did not come to a final view on the relevant Legislative Consent Motion.
- 17. The Committee ordered this report to be printed on 29 January 2025 in order to inform, as far as was possible the relevant Legislative Consent Motion debate.

Appendices

Appendix 1: Written submissions

Departmental written submissions in respect of the Great British Energy Bill

Appendix 2: Minutes of Evidence

Minutes of Evidence – 8 January 2025

Appendix 3: Minutes of Proceedings

<u>Minutes of Proceedings – 8 January 2025</u> <u>Minutes of Proceedings – 29 January 2025</u>