



Department for  
Business, Energy  
& Industrial Strategy

Rt Hon Grant Shapps MP  
Secretary of State  
Department for Business,  
Energy & Industrial Strategy  
1 Victoria Street  
London  
SW1H 0ET

W: [www.gov.uk](http://www.gov.uk)

Stephen Billingham  
Via email

28<sup>th</sup> November 2022

Dear Stephen,

**Notice of designation of NNB Generation Company (SZC) Limited**

Section 2(1) of the Nuclear Energy (Financing) Act 2022 (the “Act”) provides that I may, by notice given to a nuclear company, designate the company in relation to a nuclear energy generation project, provided that the relevant criteria and process are met and followed. Designation is the first step in a project potentially benefitting from the RAB model.

As required by section 3(1) of the Act, prior to designating a project I have published a statement setting out the procedure I expect to follow in determining whether to designate a project, as well as how I would determine whether the designation criteria are met. The “Nuclear regulated asset base (RAB) model: statement on procedure and criteria for designation” was published on the 11<sup>th</sup> April 2022.

As set out in section 2 of the Act, to designate a project I must be of the opinion that:

- The development of the nuclear project is sufficiently advanced to justify the designation of the nuclear company in relation to the project, and
- Designating the nuclear company in relation to the project is likely to result in value for money.

On the 27<sup>th</sup> April 2022, NNB Generation Company (SZC) Limited applied for designation in relation to the Sizewell C project. Having analysed the evidence provided as part of the application, I came to the initial opinion that the criteria were met. In line with section 2 of the Act, I prepared draft reasons for being of this opinion. I subsequently consulted NNB Generation Company (SZC) Limited, the Office for Nuclear Regulation, Environment Agency and Ofgem on these. The draft reasons were published on the 14<sup>th</sup> June 2022.

I have assessed the responses to the consultation. Having reflected on responses to the consultation, I am of the opinion that the criteria are met. I have chosen to publish the responses to the consultation, save for where material has been redacted at the request of respondents.

Accordingly, and in exercise of the powers in section 2 of the Act, I hereby give notice designating NNB Generation Company (SZC) Limited, in respect of the Sizewell C project, on the date of this letter.

In line with section 3(5)(a) to (c) of the Act, the attached document contains a description of the nuclear project, the Secretary of State’s reasons for the designation and details of any conditions imposed by the Secretary of State in relation to the designation and of the consequences of a failure to comply with any

such condition. The detail of the conditions are included in the document "Designation of NNB Generation Company (SZC) Limited: Secretary of State's reasons for designation".

If any of these conditions fail to be met, I propose that the designation will be revoked, based on section 5(3) of the Act, upon receipt of a notice given by me. The designation will also lapse 5 years after the date of this notice, if no further action is taken.

This notice of designation is given on the 28<sup>th</sup> November 2022. It will also be published in accordance with section 3(6) of the Act. I am copying this letter to the Office for Nuclear Regulation, Environment Agency and Ofgem.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Grant Shapps". The signature is fluid and cursive, with a large initial 'G' and 'S'.

**RT HON GRANT SHAPPS MP**  
Secretary of State for Business, Energy & Industrial Strategy