



Department for
Business, Energy
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP
Secretary of State
Department for Business,
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Fintan Slye
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25 May 2022

Dear Fintan,

Ensuring security of electricity supplies for winter 2022/23

As has been widely reported, Russia's invasion of Ukraine has resulted in the significant possibility of disruption to Russian gas supplies to Europe. While we are in no way dependent on gas from Russia, I am mindful that a shortage of gas in Europe could put considerable pressure on the European gas market and suppliers of liquefied natural gas, with the potential for additional, consequential impact on electricity markets. We must therefore consider all prudent steps to mitigate these risks and bolster our energy security this winter. These risks would be best mitigated by significantly increasing the amount of capacity that is available over the winter, particularly non-gas-fired capacity.

To this end, I request that you work with industry to explore and seek to deliver frameworks to support the operations of additional non-gas-fired capacity over the coming winter that would otherwise not be available. In support of this, my department has identified certain coal plant which could be considered as part of any potential solution under the frameworks agreed, where appropriate. I have written to the operators of these plant to encourage them to engage with you, National Grid Electricity System Operator, in this regard.

Any frameworks agreed will need to ensure system stability and enable the providers to be reliably available over the winter and for them to have the potential to generate significant amounts of electricity should this be needed to ensure security of electricity supplies. And consistent with your applicable criteria, any agreement would have to deliver value for money to electricity consumers. To this aim, you may wish to consider the high levels of uncertainty and volatility expected in energy markets over the winter. Finally, I would encourage that any frameworks are put in place swiftly – to enable operators to make time critical decisions – and in a manner that minimises any wider impacts on our electricity markets as far as is practicable.

As the recently published British Energy Security Strategy makes clear, we must reduce our dependency on imported fossil fuels and accelerate the transition away from oil and gas to a secure, clean energy system founded on the roll out of renewables, nuclear and other low carbon technologies. But this transition has to be orderly, recognising the critical role fossil fuels will play as we deploy low carbon alternatives.

I remain committed to the government's coal generation closure deadline of September 2024, and the government's deadline for phasing out imports of Russian coal by the end of the year. My request is made in the context of these two

commitments and is consistent with these two commitments. Alongside your engagement with industry, my department is working to address any regulatory or other barriers which may prevent non-gas-fired capacity from being available this winter. I would appreciate if my officials could be kept sighted on developments arising from your engagements with industry.

I am greatly appreciative of your support in preserving the energy security of our country. I would appreciate a briefing as you approach a conclusion in any discussions with industry, for information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', written in a cursive style.

RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy & Industrial Strategy