



Department for
Energy Security
& Net Zero



Department for
Business & Trade

Paul Davies MS
Chair, Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

Sarah Jones MP

Minister of State
Department for Energy Security & Net Zero and
the Department for Business and Trade

55 Whitehall Old Admiralty Building
London Admiralty Place
SW1A 2HP SW1A 2DY

www.gov.uk

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Dear Paul,

Thank you for your letter of 12 August regarding the Senedd's Economy, Trade and Rural Affairs Committee's inquiry into the green economy. I am responding on behalf of the Secretaries of State for Business and Trade, and Energy Security and Net Zero.

Working with The Welsh Government

The Government is resetting its approach to working with the devolved nations, understanding that meaningful cooperation centred on respect will be key to delivering change across our United Kingdom. The challenges ahead, to achieve our shared net zero targets, to have greater control over our own energy resources, and to ensure stable energy bills, are shared across the four nations. We are committed to working together towards solutions that benefit every corner of the United Kingdom.

On Great British Energy, we will work collaboratively with Devolved Governments in the design, development and implementation of Great British Energy. Government recognises and supports the work of the Welsh Government in establishing Ynni Cymru and Trydan Gwydd Cymru. We believe that Great British Energy's functions will be complementary to these activities, and we look forward to learning from each other's expertise and experience.

The Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS) will provide up to £160m in grant funding to support the development of port facilities for large-scale floating offshore wind deployment. Port Talbot is one of two projects being taken forward for detailed due diligence, subsidy control assessment and negotiation of grant terms. Subject to due diligence, we hope to make final grant offers later this year.

The new National Wealth Fund (NWF) will catalyse private investment in support of the Government's objectives for investment growth and net zero, while generating a return for the taxpayer. It will play a pivotal role in the government's industrial strategy and will simplify the UK's fragmented landscape of support for businesses and investors, aligning critical institutions like the UK Infrastructure Bank and British Business Bank to create a single coherent offer for businesses and a compelling proposition for investors. To ensure investments can start immediately, NWF will deploy funding through the UK Infrastructure

Bank, expanding its remit and providing an additional £7.3 billion to catalyse private investment at an even greater scale.

The Government is committed to the steel sector, and to making available £2.5bn of support, on top of the £500m already earmarked for Tata Steel at Port Talbot Steelworks. The workforce and wider community at Port Talbot remains a priority for this Government.

Chaired by the Secretary of State for Wales, the Transition Board has re-shifted to become delivery focused to drive forward tangible solutions for impacted workers and the local area. On 15 August, it was announced that £13.5m funding had been released to support supply chain resilience, diversification and growth of impacted businesses.

Impact on Wales

We already see the diversity and depth of energy projects across the UK, including hydropower projects in Wales. Great British Energy will accelerate billions in investment in renewable energy projects up and down the country so that the benefits of clean energy deployment, job creation and energy independence are felt in every corner of the UK. This means creating jobs and building supply chains across our four Nations, whilst respecting the devolution settlements. Furthermore, the success of Great British Energy's clean energy production will benefit billpayers, taxpayers and communities across the country.

Very best wishes,



SARAH JONES MP
Minister of State for Industry