The consequences of the referendum vote to leave the European Union are profound for the country and for our industry. I am pleased to say that the response from Energy UK has demonstrated the qualities of an organisation in full stride.

Aside from the prospect of leaving the EU, the machinery of government changes that followed: Theresa May becoming Prime Minister creating a new department, BEIS, with energy responsibilities, a broader remit and new ministers.

The opportunity of a holistic view in government on the decarbonisation of the economy and a strategic approach to industry policy are inevitably challenged by the need to get ministers up to speed, identify the priorities for the department and address some big-ticket issues for our industry.

The Energy UK team have worked extremely well to maintain existing relationships and build new ones, help government take its agenda forward and remind them when key issues for the industry seem to be slipping down the agenda.

Our Pathways to 2030 report has helped government to think through the route map needed to achieve our low carbon ambitions. Crystallising the views of leaders from across the industry provided the sharpest level of insight and direction for government.

Pathways also helped us to bring together views from across our diverse membership of suppliers, generators and other market participants. Energy UK now has over 90 members representing very different businesses across the sector. One of the successes of Energy UK as a trade body is the way that it has facilitated the sort of industry leadership that we need.

While there is much that is agreement on, there are also differences of opinion on issues. The strength of Energy UK in 2016 has again been its ability to move forward on complex issues where member interests can diverge.

There will always be contention and disagreement among our members and among those with an active interest in the energy industry.

There is general agreement that we are in the age of efficiency in which the power and heat we don’t use can be the most important units of all. Most people agree that renewables will be a bigger part of our energy mix and that we need the appropriate policy frameworks to promote it. Few would contest the need for independent economic regulation, with a focus on people who may be vulnerable in markets.

Inevitably there is much to debate in the detail. There are also fundamental contentions about the shape of demand over the coming decades, the extent to which the UK should be self-sufficient in energy in a post EU world and the roles for different generation types.

We are unlikely to run out of areas in which to understand and represent the interests of our membership anytime soon.

Our members are the core strength of Energy UK. In a dynamic market, we have maintained our membership and brought more into the fold. I know that Energy UK will continue to facilitate our members’ ability to provide insight and experience to the full range of issues that will determine our pathway to 2030 and beyond.

Finally, I would like to pay tribute to Lawrence Slade and the staff. Energy UK is a well led organisation with talented and committed people who care deeply about delivering the highest level of service to members and maintaining excellent relationships with our stakeholders.

The challenges for the coming year as the UK pilots a course that leaves the European Union will be novel and they will be testing. However, I am confident that we have an organisation that will enable the interests of members to take a lead in plotting the best course for the industry and the country.

Chairman
Sir David Arculus

Most people agree that renewables will be a bigger part of our energy mix
With thanks to:
Dan Alchin, Joshua Atkins, Alex Belias, Tanisha Beebee, Angela Burns, Jessica Carroll, Silvia Cary, Mark Cazaly, Jackie Clark, Julie Cox, Daisy Cross, Kate Dailey, Whesty Dio, Tom Dooks, Kate Dooley, Natan Doron, Gwyn Dolben, Hannah Fensome, Su-Yen Foong, Emma Hagenbo, Linda Harding, Michael Hurley, Marta Krajewska, Maria Kokkinaki, Kerry Le Van, Laura Lewitt, Davina Lewis, Andy Limbrick, Robbie McCall, Christopher McDade, Kyle Martin, Pavel Miller, Michael Naughton, Piotr Norwa, Stephen O’Neill, India Redrup, Jamie Rubie, Nicola Rowland, Natalie Scarimbolo, Jane Smith, Christopher Steele, Tom Steward, Paul Taylor, Chanel Townsend, Severine Turgis, Francis Willamson, Charles Wood
In 2016, the UK, was split by the vote to leave the European Union. It has dominated the airwaves and accounted for the lion’s share of paper and printing ink for our newspapers. Or at least it did until the election of Donald Trump.

While the glare of Brexit can be blinding, and the prospects of a Trump presidency diverting, Energy UK has not allowed the seismic events of June and November to obscure the challenges we face or the success on which we can build.

Energy matters to the UK. Our industry invests around £18 billion per year in the economy, almost 14% of all private sector investment. Energy projects make up a large part of the National Infrastructure pipeline with estimates that £140 billion needs to be invested in new generation capacity by 2030 along with a further £40 billion investment in enhancing the network.

The sector generates employment in every corner of the country, directly employing 137,000 people and supporting over 500,000 jobs. In addition, energy companies continue to do more than any comparable commercial market to support vulnerable consumers.

Throughout 2016 Energy UK has continued to ‘show and tell’ the importance and contribution of the energy industry to governments, regulator, consumer groups and the public.

There is a good story to tell and one intention for 2017 is that we shall get better and more effective in telling it. We will also need to continue to set out what our industry needs to meet the demands of future decades.

As the UK prepares to exit the European Union, energy companies stand ready to deliver what the UK needs. However, if we are to plan with confidence for greater investment and meet ambitious carbon targets, the industry needs the clearest policy framework.

Much attention in 2017 will be focused on the continuity of the EMR programme and the scope and ambition of the Emissions Reduction Plan. With the right policy framework, we could be on the cusp of a golden age where we see not only massive and necessary investment in established technologies but the digital reinvention of our industry as a more flexible, demand responsive sector.

So far, the power sector has done the majority of the heavy lifting when it comes to decarbonising our economy. It reduced its carbon emissions by 13% in 2015 and was the largest single contributor to the decrease in UK emissions between 2014 and 2015.

But, as Energy UK made clear in our Pathways to 2030, report the government must take a whole system approach that looks hard at cutting carbon emissions in heat and transport as well as in power.

When the Competition and Markets Authority began its review in 2014 there were 24 active suppliers. At the end of 2016 there are over 40. Numbers of switches have increased to a four year high, complaints against suppliers have fallen significantly and the BEIS energy consumer tracker has shown the highest levels of trust and confidence since it began.

But we agree with the CMA’s conclusion that improving consumer engagement further is key to ensuring a competitive and vibrant retail energy market.

Energy UK will work with Ofgem and BEIS to speed up the implementation of the CMA remedy package. We are committed to working with suppliers, Ofgem and BEIS to drive forward reforms, including the faster switching programme and to make it even easier and quicker for customers to switch suppliers.

The big challenge for industry, regulator, government and others is to understand what good looks like and have a common purpose to achieve it.

2016 saw halting progress towards a smarter market. Energy UK and its members have worked to take the smart agenda forward. We know that it represents the foundation for the next era in consumer experience. By the end of 2016 we have had the launch of the DCC and real prospect to make progress.

Energy UK and the industry will continue to drive the programme forward, and will work with government to ensure the smart programme is more robust in its ambition and its implementation.

I was delighted that Greg Clark MP chose Energy UK’s Annual Conference to make his first significant speech as the BEIS Secretary of State. His launch of the call for evidence on market flexibility came after announcements on capacity markets and the future of unabated coal generation. With a positive announcement confirming carbon price support in the Chancellor’s Autumn Statement we are starting to see positive results from our engagement with government to maintain the direction of travel of Electricity Market Reform.

Over the course of the year I have been proud of the range and quality of the events that Energy UK provides for members and stakeholders. As well as our best Health and Safety Conference so far, we had another excellent Annual Conference, a successful trip to Strasbourg and our strongest programme of Breakfast Briefings to date.
Not for the first time, a highlight of the year was the Young Energy Professionals Awards. The success of the YEP initiative is something we should celebrate more and it was a pleasure to invite the YEP award winners, Christine Waata and Susan McDonald to compère our Annual Conference in 2016.

Energy UK is in good financial health. We have looked to our business to become more efficient and provide better value for money. Our people are committed and work hard for our members.

2017 is going to be no less challenging than previous years. Brexit will start to take shape. CMA remedies will be implemented. The role of energy in the government’s Industrial Strategy will become clear.

I look forward to working with you and our stakeholders to meet those challenges.

Chief Executive of Energy UK

Lawrence Slade
2016 has seen the delivery of reliable and secure energy supply, with gas generation continuing to displace coal, increasing renewable capacity and generation and a decision on the future of new nuclear generation.

Over the past year, the Generation team has worked with our members on a range of issues, but in particular to keep government’s focus on a stable policy framework that allows companies to plan and deliver projects with an expectation of reasonable returns.

The creation of the department of Business, Energy and Industrial Strategy raised the prospect of a hiatus, or even a change of direction, from government on its strategic energy policy. We stepped up our activity to emphasise the importance of the Electricity Market Reform policy framework.

Following the first Contracts for Difference auction in 2015, Energy UK and the industry worked with Government to refine the regime further. Government has now committed to a second auction round with £290 million allocated to the ‘second pot’ of immature technologies. BEIS has confirmed that there will be at least two more auctions within this Parliament including funds allocated to offshore wind.

Energy UK has also worked to ensure the effective delivery of the Capacity Market regime. The forthcoming auction has seen 19.3 GW of capacity prequalify, the majority of which are small-scale units deployed across a wide geographic area.

Following the Paris COP21 Agreement we called for an increased level of ambition from the European Commission on its Emissions Trading System. We also wrote to the Chancellor ahead of the Autumn Statement asking for retention of the Carbon Price support cap until 2020/21 and clarity on its future beyond 2021.

Energy UK has worked hard to deliver a ‘no surprises’ outcome in environmental regulation for plant operators. We have been closely involved in discussions about Best Available Techniques (BAT) for controlling emissions from both large and small generators.

A key part of our work is to represent member interests on important industry panels, including participating in the development and implementation of a range of European Network Codes. This is an ongoing activity and this year we have been re-elected to the Balancing and Settlement Code, Connection and Use of System and Grid Code Review Panels.

We have been active in European led debates around reforms to the transmission charging arrangements which will implement the EU Tariff code and Ofgem’s charging review. Additionally we intervened to prevent a new non-binding gas quality standard from potentially limiting supply options to GB or increasing costs. Additionally we intervened where a minor change to the EU capacity allocation code could have limited the release of interruptible capacity and cross border trade.

In September, we held our third Health and Safety Conference in Leeds. The event, which enjoyed very positive responses from participants, covered a wide variety of speakers and panellists on topics ranging from safety in demolition to improving human performance, the smart meter rollout to the consequences of exiting the European Union.

We also brought the Safety Leaders Group in-house and moved forward with the effective collaboration between Energy UK, the Health and Safety Executive and trade unions on the Electricity Network Association’s Powering Improvement Initiative.
UK Electricity Charging Arrangements Report

Our current charging model is not designed for any probable future Transmission and Distribution system. Indeed, the model is already changing with cracks appearing in relation to embedded benefits, triad avoidance, connections and ancillary services.

The complexity and volume of charging and policy interactions may be causing distortions both to transmission and distribution connected generation. Addressing the issues holistically is necessary to ensure that the distortions do not manifest themselves in other areas of the electricity system, as failure to do so could result in even higher costs faced by GB consumers.

There may be specific issues which can be addressed with more urgency, however, ensuring that all issues are taken forward holistically is important to ensure other parties are not unfairly discriminated against. This will help to deliver a charging methodology which is cost-reflective, transparent, stable and predictable, and fair.

Our report identifies the following principles that should form the basis for the current and future electricity charging structures:

**Cost reflectivity** – Transmission and distribution connected generation should be exposed to charges that are appropriate and cost reflective taking into consideration the impact on the rest of the network.

**Locational signals** – We support locational signals as a means to provide a clear indication of the optimal site to gain the best rewards for locating generation near to demand (and visa versa).

**Market signals** – Market signals should allow participants to respond to price signals allowing for the efficient operation of the system.

**Stability and predictability** – Stability and/or predictability are important elements of a charging regime helping generators to accurately forecast revenue and aid investment decisions.

**Europe** – Greater harmonisation of tariff structures with Europe should be promoted to ensure that generation across EU Members States competes on a level playing field.

**Long term outlook** – Any recommendations to change the structure of network charging should consider the extent of possible future changes to the use and management of energy consumption.

**Transparency** – For participants to understand the charging arrangements and more importantly respond to them it is important they are fully transparent.
No-one comes to work for the Energy UK retail team for a quiet life. That is just as well because 2016 has been another busy year in the energy retail market and for our team. Much of the year was dominated by the conclusion of the Competition and Markets Authority (CMA) investigation into the energy market. The CMA’s final report after two years of detailed and close study provided broad assurances on the structure and operation of the markets. However, the CMA did identify that weak customer engagement meant certain groups of consumers did not access the full benefits of competition.

The CMA set out a package of over 30 measures with the aim of creating stronger competition and helping disengaged customers get a better deal. Energy UK’s retail team is hard at work supporting members, the CMA and Ofgem as they engage with the remedy package. Seeing through the remedies to implementation is key to moving the whole market forward. This will of course take time and while the CMA remedies take hold, Energy UK remains committed to working with members and others to improve customer experience and to supporting those who may be struggling with their energy use.

We have achieved a great deal in 2016, working with members to develop voluntary initiatives that make it easier for consumers to engage in the market. At the start of 2016 we launched the Energy Switch Guarantee. This initiative, alongside our active involvement with Ofgem’s switching Significant Code Review programme, demonstrates our commitment to working with the regulator and others to deliver faster, more reliable switching. We want to make sure that industry initiatives are working. For the first time in 2016 we published individual supplier’s Safety Net audit results. This builds on the successful publication of the results of the Billing Code audit in 2015.

Energy UK and its members, in partnership with Ofgem and Citizens Advice, also continue to look at how we can improve complaints handling and monitoring. For a number of years, the industry has improved the service experience for consumers who use prepayment meters. In 2016, we worked with members to launch important new protections for prepayment customers. The Retail team also helped the industry manage a fault in some meter technical data that came to light in the middle of 2016, helping to minimise the impacts on customers.

Although 2016 has not been plain sailing for the Government’s smart meter programme, Energy UK has continued to work hard supporting industry in overcoming the hurdles to achieve a successful rollout. Smart is the enduring solution to many of the stubborn issues across our sector, helping to improve engagement by giving customers greater control of their energy use, enabling faster switching and better, more innovative, services and products.

The retail team has also been at the forefront of activity to tackle fuel poverty and improve the UK’s housing stock. In particular, we have continued to support members with their delivery of the Energy Companies Obligation (ECO). With the current ECO scheme, due to come to a close in February 2017, we have been liaising with BEIS and Ofgem to help shape the design of the next stage of ECO to ensure it effectively and efficiently supports those customers most in need to improve the fabric of their homes.

Next year will be no quieter. But the implementation of CMA remedies, progress in smart rollout and a determination to increase engagement for consumers means we have the prospect of more consumers feeling the benefits of real progress in 2017.

Initiatives to support vulnerable consumers

The last 12 months have seen important new protections introduced for pre-payment customers. The new Energy UK Pre-Payment Meter Principles commit signatories to continue monitoring pre-payment accounts after installation so that customers can use their meters, easily and simply. The new principles also commit to providing support and assistance for customers at risk of self-disconnection including reviewing the debt recovery rate for those in arrears and signposting customers to further financial support and debt advice. To date, 13 Energy UK retail members have signed up.

This has also been an important year for the Energy UK Safety Net for vulnerable consumers. This is a pledge by the larger six suppliers to never knowingly disconnect a vulnerable customer. It also sets out a range of standards for debt collection in energy. The Safety Net is independently audited and this year was the first time that the results of the audit were published. All suppliers were compliant with the scheme requirements. The results of the Safety Net audit for 2015 show two suppliers attained the highest “Gold” award while four others achieved Silver, in recognition of the steps taken to comply with the commitments.
Many consumers do not engage with the market because they think that it will be a hassle and things may go wrong. In June 2016, Energy UK worked with industry to launch the Energy Switch Guarantee. By setting down exactly what customers can expect when they switch, the Guarantee gives peace of mind to customers that the process will be safe, well managed and quick.

As well as helping customers to switch to a better deal with more confidence, the Energy Switch Guarantee should help to raise customer service standards so that the energy experience meets ever-rising consumer expectations of service in the digital age.

All of the firms signed up to the Guarantee have to meet the standards and commitments set out under the terms of the service. That means, in the rare instances when something goes wrong with the switching process, firms will work together to resolve problems as swiftly as possible.

The last 12 months have seen important new protections introduced for prepayment customers.
Economic and Strategy

The Economics and Strategy Team provides much of the evidence and insight that underpins Energy UK’s messaging. Strengthened through the delivery of our monthly wholesale report and switching statistics, the team enables Energy UK to provide an accurate narrative about our industry and to dispel some of the myths and inventions that circulate around the energy market.

The team also supports Energy UK’s strategic policy development, coordinating our business planning process and responses to major strategic developments.

2016 has provided many challenges, principally through the need to provide evidence on customer engagement and pricing to the Competition and Markets Authority and the risks and opportunities for the energy industry posed by the manner in which the UK leaves the European Union.

We know consumers are confused about why energy prices go up or down. Energy UK has committed to doing what it can to provide as simple an explanation as possible. A key output has been the publication of the energy bill breakdown. Working with Price Waterhouse Coopers, this has produced a simple illustration of the average gas, electricity and dual fuel bill for customers in 2016/17.

The analysis shed light on the fact that the proportion that the wholesale cost element of the bill makes up is just 36%, down from 52% just five years ago. On the other hand, the proportion of the bill that pays for important environmental and social policy has grown steadily and now represents 13%, an increase from 6% over the same period. These policy costs play an important role in delivering the transition to a low carbon economy, including; delivering the installation of energy efficiency measures, supporting the vulnerable and fuel poor and providing a framework in which to invest in low carbon generation.

Every year we produce core information about the contribution and impact that the industry has on the UK economy looking at jobs, investment, tax contributions and carbon emissions. This year, Energy UK published a simplified version as ‘Energy in the UK’ showing that energy companies support 1 in 49 jobs across the UK, continues to invest to the tune of £18bn per year, plays a key role in reducing carbon emissions across the economy, offers choice to customers with over 40 suppliers in the market and takes its social commitments seriously doing more than most other comparable markets to support those struggling with their energy costs.

On 23 June, the UK voted to leave the European Union, a decision which will have major economic, legal and regulatory consequences for the UK energy sector. These will take on particular importance as the UK becomes more interconnected to the continental and Irish electricity markets in future and as further integration of European wholesale markets is planned.

The Economics and Strategy team led the process by which Energy UK expressed its early views on the questions, risks and opportunities that the UK Government needs to consider as it develops its negotiating principles. Our early response stressed the importance of minimising domestic policy uncertainty in order to encourage continued investment through the implementation of the Electricity Market Reform package.

We also made clear to government the importance of retaining access to cross-border flows of both gas and electricity, a sensible and proportionate migration system to allow companies to access the skills they need, and carbon pricing that promotes the continued deployment of low carbon technology.

As far as 2017 is concerned, the process for disengaging from the European Union will pose many more challenges for the team. So will our ambition to provide a greater level of transparent, up-to-date, and informative data and evidence about the energy market for consumers and stakeholders through our website and other channels.
Pathways for the GB Electricity Sector to 2030

2016 saw the publication of Energy UK’s ‘Pathways for the GB Electricity Sector to 2030’. The report summarises key findings from 24 in-depth interviews carried out in the summer and autumn of 2015 with senior leaders from the Energy UK membership and other key organisations and stakeholders.

It is easy to overlook and underestimate the complexity of a market where power at the flick of a switch is taken for granted. But, in order for the electricity sector to operate smoothly and effectively, it is important that industry and government work together putting in place long-term policy that meets the needs of today and supports the innovation to deliver the electricity for tomorrow.

‘Pathways’ provides insights from those responsible for ensuring a clean, secure and affordable electricity supply to 2030, and then outlines the key steps required between Government and industry to ensure that delivery. Aimed primarily at people working in policy or regulation in the energy sector, it also carries great insight for those working in the heat and transport sectors and wider energy sector stakeholders.

The report set out a future energy system in 2030 that will be more decentralised and much more responsive to customer’s needs. Smart meters, coupled with smart grids and connected homes, will give customers better control over their energy use and further their engagement with the sector.

The announcement by BEIS of a ‘call for evidence’ on more flexible, smarter energy markets will help Energy UK take the insight of Pathways into the heart of long-term government thinking on the energy market.
New Energy Services and Heat

The UK energy system is undergoing a period of unprecedented change and the pace of that change will only accelerate. We also know the nature of the change and innovation that we are likely to see will be of a different character to those of previous years.

In 2016 Energy UK set up a new team and a new committee to try and get ahead of this innovation and to anticipate how political and regulatory frameworks can support the best outcomes of this innovation for consumers and the industry.

New Energy Services and Heat is a huge area for the energy sector, and the NESH committee established three working groups to focus our activity. They cover Flexibility, Decarbonisation of Heat and Electric Vehicles. The aim is to support informed engagement with policy makers, regulators and opinion formers across the key sectors of power, heat and transport.

Throughout 2016, the new NESH team have been raising awareness of these key challenges and opportunities at a series of breakfast briefing events, co-sponsoring the Power Responsive Conference and speaking at conferences across the UK.

Flexibility
Increasingly, renewable and low carbon technologies are playing a greater role in the UK’s energy system. Innovations in technology are creating demand side opportunities to provide a range of services to National Grid and over time to Distribution Network Operators. We are looking towards elements of a transition plan for the move to a more flexible energy market that will deliver the best outcomes for customers.

Energy UK together with its members and other key stakeholders, will be assessing how barriers can be removed and innovation enabled for a flexible energy system for 2020. There is also a need to improve overall awareness of the opportunities provided by smart energy services and Energy UK will be engaging more publicly in these areas throughout 2017.

Decarbonisation of heat
The industry needs to promote a cost-effective approach to the delivery of a low carbon heat framework out to 2050, including the future role of gas networks and solutions for customers who are off the gas grid. The on-going challenge of poor energy efficiency in business and residential buildings also needs to be addressed.
There are a number of policy and regulatory vehicles, which could be utilised to support this, and Energy UK will work with other key stakeholders to promote these options.

Electric Vehicles
The UK is a market leader in Europe in the number of electric and low-emission vehicles on the road. To date, the energy sector engagement in this sector has been led by the Distribution Networks Operators. However, we believe that there are opportunities, now, for more direct engagement from the retail and generation perspective. The integration of electric and low emission vehicles into the UK energy system could create a number of innovative opportunities to better serve customers by providing Time of Use tariffs, bundled offers that reward access to flexibility and even potentially bundled tariff and charge offers.

Energy UK will inform a policy and regulatory framework that may enable such innovation.

2017 will be an incredibly important year for NESH with the publication of the Smart Energy roadmap, the government’s response to the 5th Carbon Budget and the introduction of the Modern Transport Bill into legislation. Energy UK will be working on behalf of its members to promote their views on how the customer interest can remain at the heart of these initiatives.
New Energy Services and Heat is a huge area for the energy sector.
In 2015, the news and political agenda for Energy UK was dominated by the CMA investigation and a new conservative government. In 2016 it was more of the same, but this time with an extra layer of Brexit.

By the time the final remedies emerged from the CMA investigation, Energy UK had already been active, working with members and stakeholders to reach out to consumers through the media and giving them the confidence to engage with the market. The launch of the Energy Switch Guarantee and the promotion of messages through our monthly switching report are just two ways in which we have been driving the industry’s commitment to promote greater engagement.

Switching has grown significantly in 2016 and the team took full advantage to emphasise how much faster, simpler and easier it has become to switch supplier and also how many people are choosing to move to a new tariff with their current supplier.

The publication of our Pathways report provided a great platform for engaging with media and politicians about the big challenges facing the electricity system if we are to deliver low carbon, reliable and affordable power. At every opportunity, we have reinforced the message that the industry needs a clear and stable policy framework to maintain investor confidence and that there needs to be a stronger focus on heat and transport to complement the heavy lifting done by the power sector in decarbonising the economy.

The immediate consequence of the Brexit vote was a new Prime Minister and the creation of the Department for Business, Energy and Industrial Strategy. Energy UK was quick to engage with the new Ministers and advisors ensuring that energy did not slip down the list of government priorities. Meetings across the BEIS ministerial team were held and good working relationships were quickly established with officials and advisors.

We have maintained a very high level of engagement with MPs through the year including our successful parliamentary reception, a drop-in clinic in November attracting 40 MPs to hear about how they can help their constituents engage with their energy costs, roundtable events on key issues and liaison with key committees of MPs and shadow frontbenchers. The team also made sure that members were kept up to speed with, and able to respond to, the provisions of the 2016 Energy Bill.

With our Scottish working group, we have continued our strong presence with the Scottish Government and Parliament representing the interest of members across the Energy and Climate Change strategies, and the increased powers following the Scotland Act.

Energy UK held meetings in Strasbourg with UK MEPs, and had its annual Brussels meeting just before the referendum vote. In Brussels members discussed future energy & climate policy and topics such as the upcoming market design package and EU ETS reform with the Commission, EU regulators and EURELECTRIC.

The parliamentary reception for our 2016 Carbon Monoxide Be Alarmed campaign, took place on Wednesday 27 January in the Thames Pavilion at the House of Commons with over 30 MPs in attendance. Many MPs support the campaign by raising awareness among their constituents through local and social media and giving CO alarms, provided by the campaign, to their constituents.

We continue to work with our broad base of supporters including CO charities, home-builders and safety organisations to drive support for the campaign’s aims and have encouraged all of our members to carry information about the campaign on their sites.

We were also pleased it became law for every landlord in the UK to provide a carbon monoxide alarm to their tenants for households with any solid fuel burning appliances.

2017 will be just as busy, and the team will be just as active ensuring that the positive narrative about our industry cuts through to parliament, government and the media.
Working with European institutions

European legislation and policy has had an increasing importance for the UK energy sector. Energy UK closely monitors the development of EU policy and provides a forum for members to discuss major proposals on energy, environmental and financial issues.

2016 was the European commission’s ‘year of delivery’ for energy. Proposals on gas security of supply were introduced in February and the Commission spent much of the year preparing the ground for the ‘Winter Package’ which emerged in November and includes measures on electricity market design, energy efficiency, renewables and the Energy Union governance arrangements.

Energy UK held a number of discussions on these issues with Commission officials and with MEPs during 2016, including a presentation of the ‘Pathways to 2030’ study. Energy UK played an active part in discussions about capacity markets and harmonisation of balancing arrangements and policy in both these areas appears to be moving in the right direction from a UK standpoint.

One significant concern for Energy UK is that the financial regulation and onerous capital requirements (MIFID 11) could be extended to cover firms whose main business is energy production and supply. Energy UK has worked closely with the European Commission, MEPs, the UK Government and the Financial Conduct Authority to point out the high potential costs of such an approach. A final decision on the exemption framework should be taken before the end of 2016 and it is hoped that a workable arrangement will be reached.
Energy UK represents the broad spread of Britain’s energy industry – from smaller generators to the major companies, from household names to the newer suppliers now entering the market. We are the voice of the whole industry, speaking up for both old, new, and the innovative from all across our diverse membership. We are leading the way on solutions to the issues that face every aspect of the sector.

Energy UK provides access for all its members to groups and fora where common issues of concern can be openly debated and discussed. Our committees lead on industry solutions and the executive team and staff have the technical expertise to bring things together to ensure responses to government and regulatory consultations are made in a thoughtful, constructive and timely way.

A key service is the increasing number of events tailored to meet the needs and interests of members. These range from the large and high profile to the intimate and technically complex.

Our highly successful Annual Conference attracted a stellar line up and stimulated discussion among a maximum capacity audience all day, with many delegates congratulating us on the best event yet.

On the theme of ‘Progress to our energy future’, delegates heard from companies, government, energy experts and consumer bodies discussing the future energy mix, consumer engagement, technology and innovation and financing our future energy system.

High profile figures, including current and former politicians such as Greg Clark MP, Alan Whitehead MP and Sir Ed Davey, were all in attendance and gave serious weight to the many debates taking place on centre stage.

The media hub was abuzz with a number of different journalists from various national print papers, broadcast outlets and trade publications present. The conference was the top trending hashtag in London during the day. A testament to the lively debate sparked by the event.

The third Energy UK Health and Safety Conference took place in a packed-out room as we returned to the electricity generation hub of West Yorkshire.

The conference gave delegates the chance to learn and question a variety of industry experts and speakers. A number of key issues were addressed, such as the health and safety portion of the energy industry from human performance and reliability to safety in demolition, safety culture and the effect of Brexit on Health & Safety legislation in the UK.

While there have been a number of health and safety improvements over the last decade, the event reminded us the importance of safety for our workers. Louise Taggart, one of the Conference speakers, shared her brother’s story as a heart wrenching example of the need to ensure the highest level of safety across our industry.

Energy UK also hosts a range of dinners and breakfast briefings where we help members stay abreast of new developments in the industry. There have been dinners addressing issues of investment and finance and breakfast briefings on issues as diverse as gas generation, principles based regulation, take-up of electric vehicles and the impact of big climate data on the energy sector.

The Young Energy Professionals Forum (YEP) goes from strength to strength. The Forum provides the new generation of energy professionals with a place to network, share experiences and learn from industry experts. With over 1,300 members, the Forum offers a number of events across the year including site visits to some of the UK’s major energy centres and an annual YEP Awards ceremony that recognises success and leadership across the varied disciplines which make up the energy industry.

This year as well as the meetings and debates, the YEP road-trip called at Drax, SSE’s Sloy Hydro Electric scheme and Eon’s District Heating centre at Cranbrook. We look forward to breaking the 2,000-member limit in 2017.
Energy UK 2016 events programme

**January**
- Energy UK Young Energy Professionals site visit Eon’s District Heating centre, Cranbrook and the MET Office
- Energy UK Industry Leaders Forum
- CO Be Alarmed Parliamentary Launch

**February**
- Energy UK Industry Leaders Forum
- Energy UK Business Energy Forum
- Breakfast Briefing – Pathways to 2030
- Breakfast Briefing – More hot air: encouraging gas generation
- Energy UK Young Energy Professionals – Forum in Scotland

**March**
- Energy UK Finance Directors Forum dinner
- Energy UK Parliamentary Reception

**April**
- Breakfast Briefing – Low Carbon Heat
- Breakfast Briefing – Beyond Prescription: How to manage the transition towards PBR

**May**
- Energy UK Young Energy Professionals – Durham University networking event
- Strasbourg Reception with MEPs
- Energy UK Young Energy Professionals Forum in Coventry
- Breakfast Briefing – Innovating to win customers

**June**
- Breakfast Briefing – Re-powering Electricity with International Energy Agency (IEA)
- Energy Switch Guarantee Launch
- Industry Parliament Trust (IPT) dinner – House of Lords
- Breakfast Briefing – Billing Stakeholders
- Energy UK Dinner with Eurelectric and CERR – Brussels
- Energy UK meeting with Eurelectric and CERR – Brussels
- Energy UK Young Energy Professionals Awards Dinner

**July**
- Breakfast Briefing – Ensuring customer confidence in Smart meters
- Breakfast Briefing – Promoting competition– what next after the CMA?
- Breakfast Briefing – Moving up the gears: prospects for the uptake of electric vehicles in the UK
- Energy UK Young Energy Professionals – site visit to Drax

**September**
- Energy UK Health and Safety Conference
- Energy UK Reception – Labour Party Conference, Liverpool
- Energy UK Young Energy Professionals Forum – site visit to SSE’s Sloy Hydro Electric scheme

**October**
- Energy UK Reception – Conservative Party Conference, Birmingham
- Energy UK Young Energy Professionals ‘mentoring programme’ launch
- Breakfast Briefing – Smart meters unlocking the smart grid
- Breakfast Briefing – Making it happen: how to embrace flexibility within the power market

**November**
- Breakfast Briefing – How will big climate data help shape the energy sector?
- Energy UK Annual Conference
- Energy UK Young Energy Professionals Forum in London
- Energy Switch Guarantee – Parliamentary drop in clinic

**December**
- Energy UK Annual Lunch
Membership

Corporate Members
AES UK HQ
Bristol Energy
Calon Energy
Carron Energy
Centrica Energy
Corby Power
CRF Hydropower
Co-Operative Energy
Dong Energy
Drax Group
- Drax Power
- Drax Biomass
- Haven Power
Ecotricity
E.ON UK
EDF Energy
EP Invest
ENGIE
ESB
First Utility
Flow Energy
Garbhaig Hydro Power Company
Good Energy
Guernsey Electricity
InterGen
Jersey Electricity
Lynemouth Power
Manx Utilities
Moxia Energy
National Grid
Natural Power
Nuclear Decommissioning Authority
Opus Energy
RES
RWE npower
ScottishPower
Smartest Energy
Spark Energy
SSE
Statoil
UK Power Reserve
Uniper.
Utilita Energy Limited
Utility Warehouse
Vitol/VPI Immingham

Corporate Associate Members
Allen and Overy
Alstom Power Service UK
British Hydropower Association
Buglass Energy Advisory
CGI
China Light and Power
Chubu Electric Power Co
Deloitte
DNV KEMA
Doosan Babcock Energy
Eaga Charitable Trust
EDF Trading
Electroroute
Elecon
Energyhelpline
Energylinx
EnerNOC UK
EPEX SPOT
ESCP Europe
Fichtner Consulting Engineers
EY LLP
GE
Gentrack
Green Frog Power
Horizon Nuclear Power
IBM
Interim Partners
Latcham Direct
Local Waste Solutions
Marsh UK
Met Office
Matt MacDonald
Nord Pool
NorthConnect JV
NuScale Power
Osaka Gas
Passiv Systems
Pöyry Management Consulting (UK)
PWC
Ruddle Merz
RSK
SENER Engineering
SGN
Stag Energy
SQS Group
TGC Renewables
Tidal Lagoon Power
Tokyo Electric Power Company
Trilliant
Utilitywise
Vivid Economics
Vuepoint Solutions
Wood Mackenzie Global
Consultants

Life Members
Mr M Bowden
Mr N Bryson
Dr T Cocker
Dr P Jackson
Dr K Miller
Mr R Rigg
Dr S Fliley
Mr F Wiggin
Energy UK

Energy UK is the voice of the energy industry. The organisation is the leading energy industry trade body in Great Britain. By joining, companies become part of a dynamic partnership at the forefront of UK energy policy development. The input of our membership is sought at the most senior of political levels.

Energy UK provides highly respected, expert analysis and advice to our members on policy, regulation and communications. We also provide strong and well tested industry representation in the media, to policy makers and across the wider policy community.

The membership of Energy UK covers all aspects of electricity generation and energy supply to customers and to business. We also represent both supply chain companies and infrastructure developers, making us more representative of the GB energy market than any other organisation.

Energy UK is
▶ An outstanding advocate for its membership listening to views, responding to concerns & representing value for money;
▶ Financially prudent, operating on time and on budget.

Our purpose

Energy UK represents all aspects of the energy industry to:
▶ Ministers & key elected representatives in the UK government, devolved administrations & in Europe;
▶ regulators & policy makers;
▶ stakeholder & interest groups;
▶ broadcast, print & online reporters & commentators in national, regional & specialist media; and
▶ members of the public.

Our aims & objectives

Energy UK aims to aid understanding and acceptance – and to present the agreed, positive, combined view – of the energy industry by:
▶ presenting the energy industry proactively – and, where necessary in rebuttal – in a positive light, underlining its contribution to the national economy;
▶ explaining & illustrating industry actions and positions on all cross-sector issues;
▶ advancing proactively, and in response to consultations, considered & constructive contributions to the national debate on energy policies;
▶ interceding in a timely & effective way on behalf of the energy industry; and
▶ ensuring the voice of the industry is heard in discussion & debate, bringing members together with key audiences.