As I reach the end of my time as chief executive, it’s going to be a wrench to leave, but the organisation and team are in good shape for the enormous but exciting challenges that lie ahead.
Our achievements

A year ago, we had just celebrated the tenth anniversary of the Climate Change Act. Despite this landmark, there was a concern back then that the achievements we were commemorating and, more importantly, the message that these needed to be replicated on a much bigger and economy wide scale, were not getting the attention they warranted.

Not anymore – 2019 has seen climate change climb to the top of the media and political agenda and the net-zero pledge has entered the nation’s lexicon. Great news for all of us who have been pushing for greater ambition but we now urgently need rhetoric to be followed by reality.

Despite the continuing political uncertainty, as a country we need to move from sometimes not knowing what’s happening tomorrow to making long-term plans and commitments. Not that 2050 is that far away of course – as another recent anniversary has reminded us, going back 30 years only takes us to the fall of the Berlin Wall.

Our Future of Energy report showed impeccable timing, preceding the pledge by a mere few weeks, setting out a roadmap for many of the things we need to do to reach net-zero.

Our other major publication, the report from the Commission for Customers in Vulnerable Circumstances, was an equally pertinent reminder that supplying a product essential to every household comes with a responsibility this industry fully recognises. I am very proud of both these landmark reports, which have played an important role in our engagement work throughout the year making sure the industry’s voice is heard on numerous issues covering the whole industry. One example being the restoration of the Capacity Market, after a year of closely working with Government to stress the importance and the urgency of the situation for our members.

Recognition of our influence and contribution has given us a seat at the table when future strategy and policy are being discussed. This includes representation on taskforces for electric vehicles, Carbon Capture Usage and Storage (CCUS) and Heat, where our expert perspective can help ensure that future legislation and measures are going in the right direction. In areas as diverse as Brexit, carbon pricing, Contracts for Difference, complaints handling, energy efficiency, future market design, flexibility, supplier licensing, data sharing, E3C’s report on the August power cut, to name but a few, Energy UK have been working hard to represent your views and interests with Government, regulators and other decision makers.

It’s also been great to see efforts to support the creation of a more inclusive and diverse workforce, something that will be just as vital to the future success of our sector. As I reach the end of my time as chief executive, it’s going to be a wrench to leave, but the organisation and team are in good shape for the enormous but exciting challenges that lie ahead.
Our vision and values

Mission statement
Energy UK is the voice of the energy industry, providing a source of expert advice and work to enhance the industry’s reputation with stakeholders, customers and the communities it serves.

About us
Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

We represent the diverse nature of the UK’s energy industry with our members delivering almost all (90%) of both the UK’s power generation and energy supply for over 27 million UK homes as well as businesses.

The energy industry invests over £13.1bn annually, delivers around £85.6bn in economic activity through its supply chain and interaction with other sectors, and supports over 764,000 jobs in every corner of the country.

With over 100 members spanning every aspect of the energy sector, we represent the diverse nature of the UK’s energy industry.

Diversity and Inclusion

Our Equality and Diversity Forum is a cross-industry group supporting members and sharing best practice to drive positive changes.

The Forum has hosted free events and practical workshops and launched a publication highlighting some of the positive initiatives being taken forward within the energy industry. To mark International Women’s Day in March, we also produced a video showcasing women in energy giving advice to their peers.

This year also saw our first Inclusion & Diversity in Energy Conference, addressing all aspects of inclusion and diversity in energy including disability, ethnicity and race, gender and sexual identity.

Dr Anne-Marie Imafidon MBE, Co-Founder of the Stemettes, speaking at the Energy UK Inclusion and Diversity in Energy Conference
Young Energy Professionals (YEP) Forum

Energy UK’s Young Energy Professionals Forum continues to grow and now has over 2000 individual members, with representation spanning over 340 different companies across multiple platforms.

The Forum brings together those considering a career in energy with those already working in the industry, offering the opportunity to broaden their knowledge, share development successes and network with peers.

The Forum runs a series of free events throughout the year, ranging from panel events on topical issues and regional networking events, to site visits to some of the UK’s major energy centres. This year, the Forum has hosted networking and panel events in Glasgow, Durham, Strathclyde and London, and visited Culham Centre for Fusion Energy, RWE’s Staythorpe Power Station and EDF Energy’s Hinkley Point C.

In June 2019, the Forum hosted their annual YEP Awards ceremony, bringing together the next generation of industry professionals to recognise and celebrate their outstanding work.
Our year in numbers

1500 attendees at our events & webinars

18 New Members

Over 130 consultation responses

1300+ New Twitter followers

Nearly 1500+ New LinkedIn followers
Meetings with Parliamentarians including Ministers up 25%

Participation in Government task forces and advisory boards

Select Committee appearances

Nearly 1,900 pieces of media coverage

An average of 1 national broadcast interview a week

Negative sentiment of media coverage kept below 1%
**Public affairs**

While it has been an uncertain year, both the UK and Scottish Parliament’s legislated to set net-zero carbon emissions targets for 2050 and 2045 respectively.

Energy UK worked with both Members of Parliament and Members of the Scottish Parliament in these groundbreaking pieces of legislation to demonstrate the industry’s support for the targets, as well as the important role our members will play in delivering net-zero, including being an enabler for other sectors such as transport and heating.

This proactive approach has contributed to our increased public affairs activity, working with all parties to demonstrate the UK energy industry’s world leading actions to decarbonise the UK economy, which included giving evidence on three select committee panels before mid-February.

Our strategy has seen us have a bigger presence in the UK Parliament, speaking at and attending more events than ever before, building on the publication of our Future of Energy report and the launch of the report from the Commission for Customers in Vulnerable Circumstances. We also had a bigger presence at the party conferences this year speaking on five panels and holding a number of roundtables, thereby broadening our engagement and impact across political parties.

We’ve worked with the UK Government to provide expert advice and support in preparing for a no-deal Brexit scenario.

Energy UK also ran a series of webinars with legal experts throughout October, funded through the Business Readiness Fund set up by Government, to help UK-based businesses get ready for no-deal.

We continued to increase our engagement with the Scottish Parliament, building on our strategy from 2018 in supporting efforts by the Scottish Government to join up energy policy across planning, energy efficiency and action on climate change. In particular, we contributed to the legislative process on the Planning Scotland Bill to make sure it recognised the crucial role that renewable energy plays in the Scottish economy. We have also begun early engagement with the Scottish Government ahead of the fourth National Planning Framework 4 (NPF4), expected to be consulted on next year.

We developed opportunities for our members, including holding roundtables and discussions with politicians and key political influencers/thinkers, while also feeding into major political set pieces with our targeted policy priorities.

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Brexit

2019 has certainly delivered Brexit news coverage, but it has not yet delivered Brexit.

Energy UK spent the first three months of 2019 supporting its members in their preparation for the UK exiting the EU on 29 March 2019 with or without a deal. However, as the prospect of no-deal increased, the emphasis shifted.

We secured extra freight capacity on the Government’s scheme for the energy sector at key ports in the UK to ensure essential consumables and parts for the generation of electricity were given priority at the border. Our members reported on a weekly basis to BEIS on their stock levels back in March and resumed this activity in the lead up to 31 October.

The Brexit Working Group remains Energy UK’s main platform for policy activities and engagement with government officials, BEIS, DExEU and Ofgem attending on a monthly basis. This ensures our position is well-known and understood, but also offers officials the opportunity to run ideas and scenarios past members.

There remains uncertainty around the future carbon price at the time of writing, and Energy UK is working hard to seek some clarity from the Government as 2020 approaches.

We continued our engagement with the UK government throughout the year, through one-to-one meetings with the Secretary of State for DExEU and previous and current energy Ministers.

We also sat on the UK Government’s business roundtable preparing for no-deal Brexit, and had the Minister of State for the Department of Exiting the EU (DExEU), Lord Callanan meet the Brexit Working Group. This was on top of our engagement with the Cabinet Office and BEIS in preparing for a no-deal scenario.

In February 2019, Energy UK, in collaboration with the British and Irish Chamber of Commerce, organised a roundtable in Dublin on the impacts of Brexit on the Single Electricity Market (SEM). This was the second collaboration between the Chamber and Energy UK following the Policy Forum ‘The Future of the UK – Ireland Energy Relationship’, held in London in February 2018. Such events are important to preserve the strong link between the UK and Ireland on energy.

Our engagement with the European associations – Eurelectric and Eurogas – remained strong. We carried on working together to highlight issues of importance to both UK and EU-based energy companies. No doubt this cooperation will remain crucial, irrespective of the Brexit outcome.
The net-zero ripple effect

The Committee on Climate Change’s report ‘Net Zero – The UK’s contribution to stopping global warming, published in May this year, coupled with Extinction Rebellion taking to the streets over the summer, put climate change front and centre of the public’s attention.

The Government was quick to respond, passing legislation committing the UK to bring all greenhouse gas emissions to net-zero by 2050.

Energy UK, whose members will be fundamental to the delivery of this huge challenge, welcomed the move. Reflecting that this target will impact many parts of society, including agriculture, heating, travel, and power. Energy UK has also called for on a ‘net-zero test’ for all new Government policies to ensure they support the target, not undermine it.

Delivering net-zero will support many of the UN SDGs such as climate change, innovation and sustainability, but could have its challenges in how we pay for this change and ensure that the benefits are distributed fairly and the costs are recovered in a way that does not compound fuel poverty.

Energy UK will continue to influence the debate and provide input into the Treasury’s review next year on how costs are distributed.

Our annual publication, Energy in the UK¹, took a different approach this year, and following the direction of our Board, looks at the work the energy sector does through the lens of the UN Sustainable Development Goals (SDGs); a good example of the holistic style that is required in future energy policy, showing the role the sector plays for people, the economy and the planet.

¹ https://www.energy-uk.org.uk/energy-industry/energy-in-the-uk.html
Another important publication from 2019, *The Future of Energy report*[^2], published in May, explores what is needed to deliver the vision for the sector of “A low carbon energy system that customers see as fair and which delivers excellent service, choice and value for money to all homes and businesses”. It offered a range of recommendations which will inform the work that we do on net-zero.

Energy UK sees net-zero as an opportunity for the sector to shine and take leadership.

We have already started work internally, reviewing how we can ensure the wide-range of policy areas we cover complement each other in achieving this transition in a fair and cost effective manner, and externally through engagement with other relevant stakeholders, such as the Energy Systems Catapult, the Energy Networks Association (ENA) and BEAMA to find common ground.

With COP26 taking place in the UK next year, it is also a great opportunity to get some early commitments and actions from Government in our key areas when it comes to decarbonisation: power, road transport and heat, while ensuring that we take customers on this journey.

Power

This year brought a number of records for the GB power sector. For the first time since the Industrial Revolution, Britain is obtaining more power from zero-carbon sources than fossil fuels.

Also earlier this year, we did not use any coal to generate electricity for over two weeks – the longest period since the 1880s. Adding to this already impressive list, the price of offshore wind energy has plummeted 30% in two years with a raft of 12 new energy projects coming in at a record low price of between £39.65 and £41.65 per megawatt hour.

Those three records clearly show that the decarbonisation of our sector is already fully underway and will provide a route toward emissions reductions for other sectors to follow. However, with the net-zero commitment now a legally binding target, an even more accelerated decarbonisation of our sector will be critical. Energy UK welcomed the Government’s consultations on the Regulated Asset Based (RAB) model for nuclear and CCUS – the response to the latter being developed by our newly created CCUS Working Group. Nevertheless, we find it regrettable that clear frameworks, priorities and outcomes from the Government for achieving net-zero are still lacking for the time being.

2019 brought a significant amount of new and existing work streams demanding more time and resource from the power team at Energy UK. While a lot of uncertainty continued throughout 2019, we are very hopeful that next year will start to set out the future direction for the industry.

Following the judgement of the General Court of the European Court of Justice from November 2018, the GB Capacity Market had been suspended for over a year before it was reapproved (see ‘Capacity Market’ box on page 13). The suspension of the scheme, one that has successfully delivered security of supply at the lowest cost to consumers, posed a number of serious financial implications for capacity providers.

The future of carbon pricing was another big uncertainty facing the sector and Energy UK has been busy setting out our preferred options in all possible scenarios. These have been discussed extensively with BEIS, HMT and Ministers to make sure they are understood, including the impacts of dropping out of the EU Emissions Trading System (ETS) without a suitable alternative.

The world of network charging continues to go through a substantial transformation, with both electricity and gas charging undergoing significant changes to how and to whom charges are applied. The same holds true for the energy industry codes, which will need to adapt much more rapidly to enable the transition towards a more flexible energy system with net-zero emissions, while minimising costs and protecting consumers.

Long-term policy and regulatory stability will be essential to attract investment in the energy sector at lowest cost.
The reform of ancillary services is still underway, with Energy UK’s Ancillary Services Working Group newly created to specifically follow this work stream and drive forward change. Finally, we continue to follow Ofgem’s review of Secure and Promote – a mechanism aimed at enhancing the liquidity in the GB wholesale power market.

Furthermore, we continue with our role on Ofgem’s Electricity System Operator Performance Panel and the Government’s CCUS Task Force and Advisory Group. We are also involved in the Energy Emergencies Executive Committee (E3C) review of the power system disruption commissioned by the Secretary of State for Business, Energy & Industrial Strategy following the power cut on 9th August.

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### Capacity Market

Part of the Government’s Electricity Market Reform\(^3\) package from 2014, the Capacity Market (CM) aimed to ensure security of electricity supply by providing a payment for reliable sources of capacity, alongside their electricity revenues, to ensure they deliver energy when needed. The main purpose of the mechanism was to ensure the investment we need to replace older power stations and provide backup for more intermittent and inflexible low carbon generation sources.

Any capacity remuneration mechanism like the CM is a form of ‘State Aid’ since it represents an intervention by the State to provide an additional source of revenue over and above those in the energy and ancillary services markets. Under the EU law, any State aid measures need to be approved by the European Commission (EC).

Back in July 2014, the EC concluded that the proposed GB CM was compatible with State Aid rules. Since that date, four T-4 auctions and one T-1 auction were held, resulting in about £3.8bn of payments to capacity providers. Following a successful legal challenge on 15 November 2018, the General Court of the European Court of Justice issued a judgment annulling, effective immediately, the EC’s original approval of the CM, arguing that the EC should have initiated a formal investigation procedure prior to granting approval instead of just relying on information provided by GB authorities. Pending a resolution, the ruling imposed a ‘standstill period’ for the CM, with all capacity payments being suspended.

Continued on page 14 ...

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\(^3\) [Link](https://www.gov.uk/government/policies/maintaining-uk-energy-security--2/supporting-pages/electricity-market-reform)
The EC opened a full investigation into the GB CM in Spring 2019, although it was difficult to predict what would be the outcome of the investigation and how long it would take.

The situation resulted in number of serious financial implications for capacity providers and has been a real test of companies’ resilience to uncertainty and delay.

Energy UK engaged extensively with members, the Government and relevant stakeholders to fully assess and explain the consequences of all possible outcomes.

On 24th October, the EC announced its intention to re-approve the scheme, which was good news for the whole industry and its customers. The CM can now continue to do the job it has done successfully for a number of years, ensuring security of supply at the lowest cost to customers in times of high demand.

The CM has been rightly evolving to reflect a different mix of energy generation with newer technologies gaining a greater share in recent auctions. With the inclusion of renewables in future auctions – something we have long called for – a technology-neutral CM will continue along this path and drive progress towards a net-zero economy bringing benefits for both the environment and the economy, while reducing costs for customers.

Offshore wind stole the spotlight on 20 September this year.
Following the announcement that the UK would become the first developed economy to legislate for net-zero emissions by 2050, there has been plenty of activity in the low carbon generation space.

Over the summer we developed our thinking on the potential business models to support CCUS rollout across the UK. BEIS is now poring over the responses to the consultations and we expect government to set out a way forward by the end of 2019.

Offshore wind stole the spotlight on 20 September this year. The results of the announced with record low clearing prices at £39.65/MWh with 5.8GW of capacity awarded contracts at the Contracts for Difference (CfD) Allocation Round 3 (AR3).

There are now important associated policy questions for the CfD in terms of auction allocation design itself and possible consequential impacts on the wholesale markets. We have already met BEIS to open the discussion on the future of the CfD scheme and will continue to work closely with government ahead of the CfD Auction Round (AR4) consultation expected in December 2019 and the Energy White Paper now expected in 2020.

We recently submitted our response to the BEIS consultation on a RAB model for nuclear where we identified the potential of the RAB model to reduce the amount that customers would have to pay for nuclear power. Should government decide to proceed with a RAB model for nuclear, we stand ready to work closely with BEIS and HM Treasury to ensure the model delivers for both industry and customers.
Carbon pricing

This year has been a stop-start one for carbon pricing, tied inextricably with the to-ing and fro-ing on Brexit. Since the UK’s intention to leave the European Union was first announced back in 2016, Energy UK has continually pushed Government to clarify its intentions, at the earliest possible opportunity with regard to emissions trading and carbon pricing post-Brexit. We maintained that a stable and predictable carbon price signal is vital to delivering cost-effective decarbonisation – especially with the net-zero target in place.

In July, we responded to the Future of UK Carbon Pricing consultation in support of the Government’s minded to position of establishing a UK ETS which mirrors and links back to the EU ETS, in the increasingly unlikely circumstance that the UK can remain in full participation of the EU ETS. We stated our clear position that when establishing a UK ETS, any divergence from the design of the EU ETS should be avoided, or be made on a “by exception” basis if absolutely necessary to facilitate linkage.

Shortly after submitting our response, we learnt that the views of LSE Grantham Institute and the Committee on Climate Change aligned with ours on the most and least (a standalone UK ETS) preferable options for the future of UK carbon pricing.

In terms of no-deal arrangements, Energy UK supported the Government’s planned implementation of a Carbon Emissions Tax (CET) as an immediate bridging mechanism until a linked UK ETS could commence. We have been clear with Government officials, however, that we would support this only as an interim measure whilst preparations are made, as quickly as possible, to establish the long-term linked-UK ETS.

As the CET technical note only set the level out to the end of 2019 (£16/tonne), we asked for confirmation of the 2020 level. However after a cancelled 2019 Budget, a December general election and a further extension to Brexit from 31 October 2019 to 31 January 2020 later, we still lacked any forward clarity on the CET level and the overarching implications of the newest Brexit scenario on the UK’s participation in the EU ETS.

Given this prolonged uncertainty, Energy UK produced and shared a paper on the various Brexit scenarios and the associated risks to April 2020 with the BEIS Emissions Trading team. We also relayed our preference to HM Treasury for the CPS to be maintained at its current level of £18/tCO2eq for the 2021/22 financial year. We stressed the importance of keeping this element of the Total Carbon Price stable in light of the various unknowns and moving parts under Brexit, or until Government can give more certainty on the price targeted by the long-term carbon pricing mechanism for 2021 onwards.

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We maintained that a stable and predictable carbon price signal is vital to delivering cost-effective decarbonisation – especially with the net-zero target in place.
Retail

2019 has been another eventful year for the suppliers in Great Britain and the retail side of the policy team at Energy UK.

The publication of our Future of Energy report section on ‘The future retail market and customers’ relationship with it’ and the conclusion of the independently-chaired Commission for Customers in Vulnerable Circumstances have been at the forefront of our work this year.

The introduction of the Default Tariff Cap, a continuing stream of Supplier of Last Resort (SOLR) events, Ofgem’s Supply Licensing Review, the CMA’s review of the prepayment price cap, ECO3, initiatives like MiData, the disengaged customer database and the new Guaranteed Standards for Switching – to name but a few – have also kept us busy throughout 2019.

The work on the Ofgem Supplier Licensing Review is of particular note. Following the unprecedented volume of supplier market exits over the last two years, Energy UK proactively engaged with Ofgem through its review and we welcomed its eventual action to strengthen market entry requirements. We continue to work positively with Ofgem as it continues its review, developing appropriate and effective proposals for ongoing requirements and market exit arrangements that better serve customers and a competitive market.

In addition, Energy UK has continued to work with members to help raise standards and deliver good outcomes for customers. We have built on our work last year with Huntswood, to develop a report supporting the need for BEIS and Ofgem to reform the Complaints Handling Standards, to ensure they remain fit for purpose in 2019. Our forums on Debt, Vulnerability, Fraud and complaints have continued to facilitate sharing of best practice. The Energy Switch Guarantee has continued to reassure customers that switching is simple, speedy and safe. The independent audits of both the Code of Practice for Accurate Bills and the Safety Net both also showed record levels of compliance amongst signatories.

Furthermore, we have continued to work closely with stakeholders like Ofgem, BEIS and the ENA to support their efforts. We have continued to provide dedicated consultants to represent large suppliers on the Faster Switching programme. We have engaged with the ENA-Water UK Priority Services Register (PSR) data sharing project to help ensure the view of suppliers are represented. We continue to represent suppliers on E3C’s Electricity Task Group and have led industry engagement with Trustmark and BSI as they have developed a quality market and new standards for energy efficiency installations.

Finally, we have continued our hard work to assist members to address the challenges facing the smart meter roll-out, including in relation to the development of an appropriate post-2020 rollout framework.
In May 2019, Energy UK published the final report of the Commission for Customers in Vulnerable Circumstances, independently chaired by Lord Whitty, to explore how customers in vulnerable circumstances could be provided better energy services in the future.

The Commission heard from expert witnesses and key organisations which helped them arrive at seven key themes, leading to a number of recommendations – for suppliers, energy networks, price comparison websites, Energy UK, Ofgem, the UK Government, and Citizens Advice – all of which the Commission believes will lead to better services for customers in vulnerable circumstances.

One of the main recommendations of the report is for suppliers to adopt a new, independently monitored Code of Conduct to drive up standards of support for customers in vulnerable circumstances. Energy UK will take the lead on this and work with suppliers to devise up with a new voluntary Vulnerability Charter.

With over 30% of Britain’s domestic and small and medium business meters now converted to smart, the roll-out is making tremendous progress in developing the smart, flexible energy system needed to support future growth.

Key to the future success of the Smart Meter rollout is the proposed Post-2020 framework that BEIS will enact to guide the rollout to completion, and Energy UK has convened its post-2020 working group to scrutinise and propose amendments to the framework to ensure the rollout is completed in a timely and efficient manner.

In addition to the two million SMETS2 meters that have been installed to date, the process of enrolling and adopting the existing SMETS1 meters onto the national communications network has commenced, meaning that early adopters of Smart will have the full interoperability benefits that SMETS2 users enjoy.
Future Retail Market Design

The retail energy market has evolved considerably since it was created by privatisation two decades ago but its regulatory framework has remained relatively unchanged in that time.

Energy UK’s Future of Energy report, published in April, outlined key recommendations for ensuring that the regulatory framework is appropriate for the future energy retail market, taking into consideration the evolution of technology and ways to interact with the market, the protections that may be required for customers in vulnerable circumstances and the pressing need to cost-effectively decarbonise.

Energy UK further built upon this work in our engagement with Ofgem and BEIS as they began their Future Retail Market Review, pushing for an ambitious scope to build a framework for tomorrow’s market – whilst not dismissing the benefits that the current supplier hub has provided to the evolution of the market and what it successfully delivers for consumers.
New Energy Services & Heat (NESH)

As we celebrate the third year of existence for the New Energy Services & Heat Committee (NESH), Energy UK continues to champion decarbonisation of heat and transport and the development of competitive markets for flexibility.

This year saw a number of areas of contention continue to cause issues for members in emerging distribution system operation (DSO) functions and the wider development of market mechanisms for flexibility. We pushed for Ofgem to address the lack of direction, resulting in a series of Ofgem workshops and consultations discussing governance issues surrounding the evolving nature of distribution networks.

In order to continue to apply pressure, we engaged other industry bodies to strengthen our collective voice in a single publication setting out a request for clarity. This is the first publication of its kind, and we will continue this work in a collaborative manner, offering to coordinate industry resources to support BEIS and Ofgem delivery in this area.

This is a time of opportunity for NESH, as staff changes across BEIS and Ofgem mean the impact of the smart systems and flexibility plan is being reviewed. This can also be said of the rest of NESH engagement with government, as changes to the government staff across heat and transport teams means positive engagement to date will ensure a consistent relationship as new contacts are developed.

We have engaged with teams across the BEIS Clean Heat Directorate throughout the year thanks to the impressive response to the Future of Energy recommendations.

Energy UK’s expertise has been recognised by the Government and as a result we have been invited to sit on the Heat Policy Roadmap Advisory Group to inform future policy.

Consistent messaging from Energy UK’s Electric Vehicle (EV) Working Group resulted in Energy UK gaining responsibility for delivery of a core area of the work of the government’s EV Energy Taskforce.

We represented the views of members to a wide range of stakeholders, and found recent success in Government’s reconsideration of bringing forward the date of a ban on Internal Combustion Engine vehicles.

Government activity has continued at pace in low carbon transport, and is gathering momentum in heat decarbonisation.

We have been working to ensure Energy UK can effectively contribute to the discussion across the many elements of that transition. This has resulted in developing positions on a hydrogen economy and the future role of a range of low carbon gasses.
Electric Vehicles

2019 has seen Energy UK continue to strengthen its links with BEIS, Office of Low Emission Vehicles (OLEV), Ofgem and industry stakeholders – notably the automotive sector – through joint workshops, bilateral meetings and by playing a leading role in the EV Energy Taskforce and the London EV Infrastructure Delivery Plan.

Taking leading roles in both the EV Energy and London EV Infrastructure Taskforces has been instrumental in amplifying Energy UK’s messages and promoting the work of the energy industry on the EV agenda.

Key work areas have included the development of smart charging standards for EV charge points and DNO managed charging. These topics have been central to Energy UK messaging throughout the year – starting with the Future of Energy in spring – alongside pushing Government to increase the level of ambition on EV policy and provide greater clarity and certainty to industry on the removal of subsidy.

Heat

As the Energy White Paper was delayed, government positioning on heat has seen slow progress for the majority of the year. In order to continue the discussion, we have consistently engaged with the BEIS Clean Heat team after it was formed. We have developed positive relationships and fed Future of Energy positions into BEIS thinking on how to decarbonise heat.

This resulted in an Energy UK seat on the newly-formed Heat Policy Roadmap Advisory Group, directly feeding into the developing Heat Policy Roadmap to be published in summer of 2020. We also have BEIS attending all future meetings of the Decarbonisation of Heat working group, to directly gather feedback on specific areas of the roadmap from members.

Additionally we have engaged with the Energy Systems Catapult and a range of other organisations to establish common messaging on decarbonisation of heat, given a growing consensus in many areas of the transition.  

Taking leading roles in both the EV Energy and London EV Infrastructure Taskforces has been instrumental in amplifying Energy UK’s messages.
We continued to feed into the range of change programmes across the smart systems and flexibility plan, coordinating messaging and engagement across the Open Networks project, Access and Forward-looking charging review, Smart Systems Forum, and a range of other related groups and activities.

Our engagement with BEIS and Ofgem resulted in a series of workshops and consultations held by Ofgem and a roundtable discussion with Energy UK members. Next year will see significant amounts of work across these workstreams, and we are now well positioned to engage effectively.

Other trade associations from the energy sector have shown broad alignment with Energy UK positions. We will work towards sharing resources and coordinating our approach with other associations to ensure clear and simple messaging is provided not only to civil servants but also to MPs and ministers.

We will work towards sharing resources and coordinate our approach with other associations to ensure clear and simple messaging is provided.
Communications

The team has once again been exceptionally busy, helping to promote the interests and our members, ensuring the voice of the industry is heard on a myriad of issues and responding to a fast moving and unpredictable political and policy environment.

The recently called general election provided an example of this as we were able to publish our own Manifesto\(^8\) almost as soon as the polling date was confirmed, taking the opportunity to once again highlight our main policy priorities. These had already featured in much of our work throughout the year, notably with the prescient publication of our Future of Energy report\(^9\), which was launched at our Annual Parliamentary Reception in April.

The increasing public concern and focus on climate change, which led to the Government’s net-zero pledge, has not only brought welcome attention to the industry’s world-leading decarbonisation efforts but also meant that many of the issues we have been pushing forward for some time are finally getting the attention they deserve.

Net-zero is clearly going to be the overriding theme for much of our work going forward – it dominated our Annual Conference in October as you’d expect – as illustrated by the branding for our autumn programme of topical Breakfast Briefings, which have remained a popular draw through 2019, as have our introductory training sessions for those new to the industry, which continue to thrive.

Similarly, our media activity and appearances are increasingly incorporating a broader range of subjects (see ‘Media and Social media’ box on page 25) – augmented by the publication of the final report from the Commission for Customers in Vulnerable Circumstances\(^10\), which showed the industry’s commitment to ensuring that the rapid changes that lie ahead do not exclude those most in need.

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The year started with widespread media coverage – including Lawrence Slade being interviewed on Radio 4’s You & Yours – after Energy UK announced record switching figures for 2018.

The pattern was duly set for the rest of the year with both Lawrence Slade and Audrey Gallacher featuring regularly on broadcast media across national TV and radio news bulletins – on average once a week, as well as current affairs programmes like Today, Moneybox, Wake up to Money and You and Yours.

Despite the introduction of the price cap in January, switching has continued to rise - with our figures garnering regular coverage throughout the year – but it has been striking that as well as being asked to comment on these. We have also been regularly interviewed on other issues including climate change and net-zero (with Lawrence being interviewed on BBC News on Climate Action Day when Energy in the UK was published) – in addition to appearances to discuss the Commission on Customers in Vulnerable Circumstances, the Supplier of Last Resort (SOLR) process, smart meters and Accessible In-Home Displays.

Lawrence also had a net-zero themed opinion piece published in the Daily Telegraph as one of a steady stream of articles in the trade press and blogs on issues like the Capacity Market, price cap and Future of Energy.

Our social media channels naturally play an integral role with these and we’ve continued to produce a range of engaging content to maximise their effectiveness with infographics and animations covering topics like our annual Energy in the UK report, climate change and net-zero, and the price cap while seeking to make the most of the platforms offered by events like World Environment Day and Fraud Awareness Week.

This year, we have seen increased social media activity and followers across Facebook, LinkedIn and Twitter with the main Energy UK Twitter account now surpassing 16,500 followers.

11 https://www.energy-uk.org.uk/media-and-campaigns/energy-uk-blogs.html
Our in-house campaigning work on both the Energy Switch Guarantee and CO Be Alarmed! has continued to secure some great coverage this year.

Our CO Be Alarmed! campaign has increased the volume and impact of its media coverage, social media presence and engagement activity. Highlights include the launch of the #PawsUp campaign, a ‘House’ magazine feature on the CO regulations and the relaunch of the CO Awareness Week in partnership with the All-Party Parliamentary Carbon Monoxide Group.

In 2019 the Energy Switch Guarantee (ESG) has continued to create proactive media stories including welcoming new members, seizing reactive media opportunities to comment (including monthly switching figures) and maintaining a consistent social media presence including a partnership with Citizens Advice to support Big Energy Savings Week. The Energy Switch Guarantee board has been reviewing ESG’s strategy to ensure its vision evolves and remains relevant throughout regulatory changes. This has been reflected in our communications approach in 2019.

Another achievement was our campaign to mark International Women’s Day in March, celebrating women in energy, culminating in films featuring 50 contributors from across the industry. These videos were finalists in the 2019 PR Week Campaigns for Good Awards.

It was in order to promote efforts to create a more representative sector that led us to organise our first ever Inclusion and Diversity in Energy Conference in September – underlining that people as well as policies will be central to the future success of our industry.

In June we created a proactive media story based on new research from the Energy Switch Guarantee which revealed that nearly half (48%) of those surveyed said they have switched energy supplier in the last four years – significantly higher than those who said they had switched home insurance (35%), broadband (31%), telephone provider (24%) and bank (14%).
Case study: #PawsUp campaign

We are a nation of pet lovers and no more so than on social media with hashtag #dogsofinstagram attracting over 750K posts every day – twice as many as #Brexit has ever received.

To coincide with National Pet Month, we launched a #PawsUp campaign to raise awareness of the risk of carbon monoxide in the home using the hook of pets, who are particularly susceptible to the risk.

Our research revealed that despite being a nation of animal lovers, almost a third of us could be putting our pets at risk from carbon monoxide poisoning.

The campaign ran continuously with activity throughout National Pet Month utilising our social media channels including competitions on both Facebook and Instagram. We also worked with a number of ‘pet influencers’ in what is known as ‘social petworking’ to reach a wide online audience.

We also created campaign-branded bandanas and the hashtag #PawsUp to encourage online sharing in order to raise further awareness. We also created a number of new infographics and a safety video for online use.

We have been really pleased with the results of the campaign so far – the Facebook competition post alone reached 19,178 people with 583 engagements – and overall, we got 75,000 impressions on Facebook along with a total of 4,796 likes on Instagram, increasing our followers on that platform by 100%.

As well as our social media channels, our pet influencers spread the word about the campaign via their own pages – their posts received high levels of engagement throughout the campaign with a total of 4,592 likes and 240 comments.

While we were primarily targeting online and social media coverage, we also secured front page coverage in the Daily Star (circulation over 322,000) who also featured it prominently in the newspaper and online, and ran a competition to win CO alarms and campaign-branded bandanas.
**Events**

**Annual Conference**
The theme of this year’s annual conference was ‘Powering the future’ with panel sessions on delivering the future of energy, net-zero, smart energy systems and meeting consumer expectations with keynote speakers including Ofgem CEO Dermot Nolan, Eurelectric’s General Secretary Kristian Ruby and Isabella O’Dowd, Climate Change Specialist at the WWF (pictured above).

**Annual Parliamentary Reception**
Energy UK’s Annual Parliamentary reception this year featured the launch of our Future of Energy Report.

A packed room featuring members, consumer groups, parliamentarians and whole host of other stakeholders heard from speakers including BEIS Select Committee Chair Rachel Reeves, Dhara Vyas from Citizens Advice and James Heappey (pictured above), Chairman of All-Party Parliamentary Group for Renewable and Sustainability Energy.

**YEP Forum Awards Ceremony**
The Young Energy Professionals (YEP) Forum held its fifth YEP Annual Awards ceremony in June to once again recognize the outstanding achievements of young professionals across the energy sector.

With over 200 people in attendance, the awards featured a record number of applications and different organisations shortlisted – with winners in nine different categories, including two new awards for ‘Diversity and Inclusion’ and ‘Client Focus’.

**Breakfast Briefings**
Our popular series of breakfast briefings continued throughout the year with expert panels discussing topical issues like Brexit, the Industrial Strategy, electric vehicles, energy efficiency and investment in low carbon generation – with the autumn events particularly focusing on different aspects of the net-zero future.
2019 highlights

**Party Conference Events**

Energy UK hosted a roundtable at both Labour and Conservative conferences. At Labour it was with SERA, Labour’s environment campaign group, on “The future of energy – meeting net-zero, delivering cleaner air and developing a green economy at the lowest cost to consumers” which was attended by several MPs.

At the Conservative Conference we partnered with the Conservative Environment Network for a roundtable on “Do markets have the answer for addressing climate change?”. We also spoke at a number of other events including ones hosted by the Home Builders Federation and the Ombudsman Services as well as sitting on a panel alongside Energy Minister Kwasi Kwarteng.

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**Energy UK Forthcoming events**

**Breakfast Briefings**
- 30 January 2020
- 27 February 2020
- 26 March 2020
- 16 April 2020
- 30 April 2020
- 28 May 2020

**Health and Safety Conference**
- 4 March 2020

**Parliamentary Reception**
- April 2020

**Young Energy Professionals Awards**
- 15 May 2020

**Inclusion and Diversity in Energy Conference**
- September 2020

**Annual Conference**
- 15 October 2020

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**Introduction to GB Energy Markets**

Energy UK’s introduction to the GB energy market training course provides an overview of how the market operates in GB which is essential for such a complex and fast moving sector.

For further information, visit [www.energy-uk.org.uk/training-course](http://www.energy-uk.org.uk/training-course)

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Our Director of Economics and Corporate Services Sam Hollister (second from the right) alongside Energy Minister Kwasi Kwarteng (second from left) on a panel at the Conservative Party Conference.
Looking ahead

In my final look ahead at the forthcoming year for the annual report, I find myself referencing what I wrote this time last year and realising that while much has changed, other concerns remain the same.

It is again undoubtedly true to say that the coming year will be a crucial one for the energy industry, particularly following the game-changing net-zero target having been signed into law.

As this report is published, the UK will be in the midst of an unpredictable general election campaign and Energy UK will be preparing to begin engaging with a new Government and a raft of new MPs on the actions that need to begin to be taken during 2020 if we are to set the UK on the path to meeting net-zero by 2050 – which I would emphasise is only 120 quarters away.

The UK hosting COP26 in Glasgow in November 2020 will present the sector with considerable opportunities to showcase the UK energy industry and press the next Government to take action with all parties determined to show global leadership on climate change and make big ticket announcements that will inspire and transform. We will be liaising with members throughout 2020 to ensure there is a drumbeat of announcements and activity in the lead up to the summit.

A key issue in 2020 will the UK’s future outside the European Union. With a new withdrawal agreement negotiated with the EU, but with an extension to the UK’s membership granted until January 31st, and an election taking place in the month beforehand – the shape of our future relationship has barely begun to be finalised. The prospect of a no-deal outcome has also not entirely been ruled out, which would be a disruptive outcome for the sector.

It is again undoubtedly true to say that the coming year will be a crucial one for the energy industry, particularly following the game-changing net-zero target having been signed into law.
2020 will also be the second year with the retail market operating under the default price cap.

Ensuring a sustainable retail market will be key to facilitating continued innovation that will bring the benefits of a smart energy system to customers, whilst keeping bills down and ensuring that the market works for everyone will be vital.

Something in particular to look out for will be seeing the industry continue to take forward the recommendations from the Commission for Customers in Vulnerable Circumstances for a new industry-wide Charter and looking at the additional support required for those most in need.

And of course, with the installation of next generation smart meters having reached over 2.9 million, and the previous Government having consulted on pushing the smart meter rollout deadline to 2024, we will be continuing to work to influence the post-2020 policy landscape to ensure an effective rollout.

Plenty therefore to challenge and anticipate next year and we hope that the new government has a clear commitment to delivering net-zero, backed up by concrete action, enabling the future energy market we all want to see.

This means increasing investment in low carbon generation to meet the expanding demand that will come not just from further decarbonising our power but also from doing the same in transport and heating – while also agreeing funding models for large scale projects like CCUS and nuclear. It also means not undermining the collective effort to meet net-zero with policy decisions that have the opposite effect – like excluding the lowest cost renewables or those that have put energy efficiency measures in reverse.

It will certainly be a challenging year ahead, but with so many potential opportunities to be seized, it is also one in which we can build on the successes of the sector.

As ever, we will continue to push on your behalf for positive progress in all these areas. It will certainly be a challenging year ahead, but with so many potential opportunities to be seized, it is also one in which we can build on the successes of the sector in driving decarbonisation, and deliver benefits for customers, the economy and the environment.
Energy UK members

CORPORATE MEMBERS

► AES UK HQ
► BES Utilities
► Bristol Energy
► Brockwell Energy
► Calon Energy
► Carron Energy
► Centrica Energy
► Corby Power
► Co-Operative Energy
► Drax Group
  - Drax Biomass
  - Drax Power
  - Haven Power
► E
► Ecotricity
► E.ON UK
► EDF Energy
► EP Invest
► ENGIE
► Equinor
► ESB
► Garbhaig Hydro Power Company
► Green Network Energy
► Green Frog Power
► Good Energy
► Goto Energy
► Highview Power
► Innogy
► InterGen
► Jersey Electricity
► Just Energy
  - Greenstar Energy
  - Hudson Energy
► Low Carbon
► Manx Utilities
► Marble Power
► Marubeni Europower
► National Grid
► Natural Power
► npower
► Nuvve
► Octopus Investments
► Open Utility
► Opus Energy
► Orsted
► Ovo Energy
► PeakGen
► Pod Point
► Robin Hood Energy
► RES
► RWE
► Sembcorp Utilities UK
► ScottishPower
► Shell Energy
► Shell Energy Europe
► Simplicity Energy
► Smartest Energy
► Social Energy
► SSE
► Staterna Energy
► Triton Power
► Uniper
► Utilita Energy Limited
► Utility Warehouse
► Vitol/VPI Immingham
► Yorkshire Energy

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CORPORATE ASSOCIATE MEMBERS

- Arup
- British Hydropower Association
- Buglass Energy Advisory
- CACI
- CGI
- China Light and Power
- Chubu Electric Power Co
- CRF Hydropower
- Cornwall Energy
- Deloitte
- DNV KEMA
- Doosan Babcock Energy
- Eaga Charitable Trust
- EDF Trading
- Electroroute
- Elexon
- Energyhelpline
- Energylinx
- Enel X UK
- EPEX SPOT
- ESCP Europe
- ESPUG
- EY LLP
- Fichtner Consulting Engineers
- Forsa Energy
- FTI Consulting
- Gentrack
- Herbert Smith Freehills
- Huntswood CTC
- Japan Electric Power Information Centre (JEPIC)
- Lane Clark and Peacock
- Local Waste Solutions
- Marchwood Power
- MGT Teeside
- Mott MacDonald
- Navitas
- Nord Pool
- NorthConnect JV
- NuScale Power
- Ombudsman Service
- Osaka Gas
- Passiv Systems
- Pöyry Management Consulting (UK)
- Publicis.Sapient
- PWC
- RSK
- SENER Engineering
- SIA Partners
- SGN
- Siemens
- Stag Energy
- Tigre
- Tokyo Electric Power Company
- Utiligroup
- 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
Dr S Riley
Mr F Wiggin

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