

Great British Energy

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The UK's net-zero carbon future rush requires a radical shift in energy strategy. Central to this is the establishment of Great British Energy (GBE), a publicly-owned energy company designed to facilitate our renewable energy capacity expansion and reduce our reliance on foreign energy producers.

The Great British Energy Bill, currently at the Committee stage in the House of Lords, aims to formally establish GBE. GBE seeks to bridge critical investment gaps, stimulate technological innovation, and bolster community-level energy production. While GBE's broad objectives are clear (the government seeks "double onshore wind, triple solar power, and quadruple offshore wind"), questions remain regarding its precise role and operational scope, although current indications suggest it will fulfil roles both as an investment vehicle and a delivery agent. Its operational model combines the mobilisation of public funds to attract private sector investment with the capacity to actively deliver large-scale renewable energy projects, providing investment in emerging technologies (such as floating offshore wind, tidal power, and hydrogen production) the expansion of established technologies (such as solar, onshore wind, and nuclear) and promotion of small and medium-scale power generation schemes

GBE presents a range of opportunities, but as a new entity also presents some risks, the most pressing of which relate to legal compliance, financing, governance, and workforce capacity.

Regulatory compliance

GBE's establishment will bring about new regulatory obligations. Companies should anticipate changes linked to Labour's proposed Energy Independence Act, and look ahead to ensure their operations, contracts, suppliers comply with tighter environmental/ emission standards.

Access to funding and competition for capital

While GBE offers a potential source of investment, its presence could increase competition for capital. Private sector firms may need to present co-investment proposals that align with GBE's strategic priorities to secure funding

Governance and accountability

As a publicly-owned entity, GBE will face scrutiny regarding transparency and accountability. Companies entering joint ventures with GBE must adhere to public sector governance requirements, including auditing and public procurement rules.

Workforce skills and capacity

The large-scale expansion of renewable energy capacity will necessitate a skilled labour force. Labour's policy agenda emphasises job creation, but companies may still face skills shortages. Legal advice on employment, training, and workforce restructuring will be critical to navigating this challenge.

Businesses need to remain alert to GBE's evolving role and consider how they might position themselves, both commercially and legally, to seize the opportunities and mitigate the risks presented by this significant transformation in UK energy.

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