

Second reading of the Great British Energy Bill: submission to the call for evidence from the North London Waste Authority

October 2024

About the North London Waste Authority

1. The North London Waste Authority (NLWA) is the statutory waste disposal authority for the seven London boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington, and Waltham Forest. We serve a quarter of the population of London, and almost four per cent of the population of England.
2. We deal with around 750,000 tonnes of waste and recycling per year (2023-2024 figures). Our first priority is to reduce waste, which saves money for our councils and preserves resources for future generations.
3. We also own LondonEnergy Limited (LEL), which provides essential services including running reuse and recycling centres and the Energy from Waste facility at the Edmonton EcoPark. LEL is an existing company which operates similarly to the Government's plans for Great British Energy (GBE) – it generates sustainable energy and power for the benefit of communities not private shareholders.
4. To help tackle the climate emergency and to prevent waste from going to landfill, NLWA is building the greenest Energy Recovery Facility (ERF) in the country and modern recycling facilities at the Edmonton EcoPark, through the North London Heat and Power Project. Upon completion, the facility will be operated by LEL, providing heat and hot water for up to 60,000 homes and businesses, and enough electricity for up to 127,000 homes.

Great British Energy: Governance

5. It should be applauded that the Government has made a positive statement of intent so early in its administration. Great British Energy is a welcome step in the right direction, and we recognise and support this. Making Britain a clean-energy superpower, with a fully decarbonised power system by 2030, is an ambitious but constructive move.
6. A publicly owned company can operate in an efficient, intelligent, and socially aware way. In order to do this, there must be an effective allocation of responsibilities between the company and its owner, alignment of goals on realistic outcomes, and mutual respect and support. There must be respect and understanding of its community partners, including local government and its associates.

Great British Energy: Funding

7. GBE has sensible and positive aims, but it will be difficult to achieve these unless the Government provides the investment and support it needs to perform well. Some have already raised concerns that the amount of funding GBE would initially receive would not be enough given the scale of the challenge to decarbonise the energy system. We would advocate that GBE is sufficiently funded to make a difference, and hope to see this reflected in the upcoming autumn budget.
8. We welcome the plans for GBE to partner with local, combined authorities and community energy groups to roll out small and medium-sized renewable energy projects. However, it is crucial that GBE and the Government provide clear guidelines on how these partnerships will be formed and how funding will be allocated. Local and combined authorities have complex governance systems, so any input they have in GBE must be set out in detail to allow them to effectively plan for this and ensure it is considered in their own governance and decision making.
9. We applaud the proposals for GB Energy to have links to the community, and the flexibility to respond to changing circumstances. In this respect, the adoption of the GBE Local Power Plan (LPP) and the commitment that the Government will make available up to £400 million of low-interest loans available to community groups; and £600 million of funding for local and combined authorities to develop up to 20,000 small and medium-scale renewable energy projects, is extremely positive.
10. Funding should be especially provided for schemes which already have firm plans in place, strong local government backing, and high confidence of delivery. The funding should place a high weighting on practicality of delivery, with established teams who can translate investment into practical outcomes. By taking this approach to funding allocation, GBE will be able to receive an early return of investment it needs to achieve its aims.
11. Through the construction of its new Energy Recovery Facility and its extensive heat network, NLWA is already demonstrating its commitment to the aims of GBE by delivering an excellent source of low-carbon heat to a large number of homes. By working with and investing in projects which are already being delivered such as this, GBE will establish its momentum early and demonstrate its value for future investment opportunities.
12. It has also been suggested that a proportion of the profits of the schemes funded under the LPP will be used to benefit the communities they are built in, for example, by lowering the energy bills in the area. This level of investment has the potential to generate jobs in the community to construct, maintain and operate renewable energy schemes, but there is a lack of detail of how these funds will be reinvested in communities.

13. We would ask the Government to clarify how the Energy from Waste (EfW) sector will be affected and what the long-term relationship with GBE looks like. We would ask for clarification on whether GBE will support carbon capture initiatives. This is currently an underdeveloped sector, and funding could be used to improve that sector and make these initiatives more viable. Previous governments have relied on competition in certain sectors to spark activity and growth, but there is currently a lack of players in this area to make this a reality.
14. Furthermore, there are questions to be answered regarding local power generation and the Electricity Generator Levy (EGL), and how these will fit in with GBE.
15. Many of the above are key points but are not yet included in the bill. These should be considered and addressed in the Secretary of State's statement of strategic priorities for GBE.
16. There will be challenges when setting up the governance to support the company in achieving its goals. Local authorities need to be embedded in this process, and EfW representation is key. Local authorities can contribute various areas of expertise, including power generation, planning, and environmental considerations.
17. NLWA and LEL are already showcasing an example of a clean power project in the north London community, creating green jobs and heating local homes. This is a good example of how local government can contribute helpful expertise, and we would welcome the opportunity to advise the Committee.