

# Uncertainty in the energy transition

- US politics, increased global protectionism and geopolitical uncertainty are we moving away from the net zero imperative?
- Many investment decisions have been paused and projects put on hold as investors wait for greater certainty in the markets
- 3 USD 2tn projects in the pipeline direction of travel has been set, despite the potential slow down
- Increased interest in oil and gas and LNG projects energy security and affordability remain a key facet for a successful energy transition
- 5 Protectionism can help to enhance delivery of projects e.g. renewables in Europe post Russia-Ukraine war

# Policy certainty, grid resilience/bottlenecks, unlocking finance

#### CCUS:

- Major projects closed this year
- FOAK, new regulatory framework
- Successful debt raise (£10bn +) and significant investor interest

### **Nuclear:**

- FID for Sizewell C
- FOAK, new regulatory framework
- Successful debt and capital raise process and significant investor interest
- SMR deployment

# Super-batteries and grid stability:

- New cap and floor for LDES
- Large battery and storage importance for grid stability.
- Lesson from Iberian blackouts and increased interest in inertia services and "stability islands"

## Grid reform:

- REMA outcome on zonal pricing
- Connections reform process underway
- Strategic Spatial Energy Plan

## **Summary:**

- Despite global and domestic challenges, UK has taken significant steps over the last year to enhance resilience and security whilst progressing the energy transition
- Key policies to unlock finance and deal with grid issues
- NESO ongoing role will be vital



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