

Statement following meetings between the Business and Energy Secretary and energy industry



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Today (18 September) the Business and Energy Secretary Kwasi Kwarteng held a series of individual meetings with senior executives from the energy industry to discuss the impact of high gas prices, driven by international supply and demand factors.

During the calls, the Secretary of State was reassured that security of supply was not a cause for immediate concern within the industry. The UK benefits from having a diverse range of gas supply sources, with sufficient capacity to more than meet demand. As previously stated, the UK's gas system continues to operate reliably and we do not anticipate any increased risk of supply emergencies this winter.

The Secretary of State stressed that energy security is an absolute priority for this government. We are confident that security of supply can be maintained under a wide range of scenarios. Great Britain also benefits from a diverse electricity mix, which is one of the reasons why we have one of the most reliable electricity systems in the world.

Whilst our largest single supply source of gas continues to be from domestic production - and the vast majority of imports come from reliable suppliers such as Norway - the UK's exposure to volatile global gas prices underscores the importance of the government's plan to build a strong, home-grown renewable energy sector to further reduce our reliance on fossil fuels.

The pressure being faced by some energy companies was also discussed during the meetings after four small suppliers ceased to trade in recent weeks. Ofgem has robust measures in place to ensure that customers do not need to worry, their needs are met, and their gas and electricity supply will continue uninterrupted if a supplier fails. If the appointment of a Supplier of Last Resort is not possible, Ofgem and the Government have agreed processes in place to appoint a special administrator to temporarily run the business until such time as a new supplier can be found for the customers.

The Secretary of State also stressed the importance of protecting vulnerable customers during a time of heightened global gas prices. Government initiatives such as the Warm Home Discount, Winter Fuel Payments and Cold Weather Payments will help ensure those most vulnerable are better able to heat their homes over the colder months. The Energy Price Cap is also in place to protect millions of customers from the sudden increases in global gas prices this winter.

Tomorrow morning the Business Secretary will be meeting with Ofgem to discuss the issues raised by the industry in more detail, and on Monday he will convene a roundtable with industry to plan a way forward. The Secretary of State is also working in contact with colleagues across government to manage the wider implications of the global gas price increase.

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