



A NEW GOLDEN AGE FOR ENERGY PROJECTS?

BY SHEENA SOOD, SENIOR PARTNER AT
BEALE & COMPANY SOLICITORS LLP

There has certainly been a flurry of UK government activity over the last few months, including the publication of UK Infrastructure: A 10 Year Strategy and The UK's Modern Industrial Strategy 2025, seeking to boost economic and energy security and the net zero transition.

The government has announced the multi-billion-pound Sizewell C project as part of a new "golden age of nuclear" – around six million homes will be powered with clean, home-grown energy from Sizewell C.

Around £330m worth of contracts have already been let, with around 70% of contracts predicted to go to British suppliers in construction and engineering.

Together with the government's plans for one of Europe's first Small Modular Reactor programmes and significant investment in R&D for fusion energy, this is being hailed as the biggest nuclear building programme in a generation.

Ofgem has approved an initial £24bn to operate and maintain critical gas networks and upgrade Britain's electricity supergrid.

Plus, the energy secretary has recently approved what is said to be the largest Irish Sea offshore wind farm, which has the potential to power the equivalent of more than a million homes.

To quote from the 10 Year Strategy, the UK is on a mission to become a "clean energy superpower".

Procurement and contracting for nuclear power projects are a costly, technically challenging and complex process, but it is so important to get these projects set up correctly from both a legal and a governance perspective. We must learn the lessons from the past to deliver major infrastructure on time and on budget.

Unlike more traditional procurement, nuclear projects will normally comprise major disaggregated work packages often enshrined in bespoke energy and infrastructure contracts designed to meet the complexity, specialisation, hefty and often changing regulatory requirements and unique political stakes.

Compartmentalisation operates to improve quality and cost control, effective project oversight and

accountability, while crucially allowing owner management of key risks and interfaces between critical systems.

From a legal perspective, disaggregated nuclear procurement demands meticulous contract drafting and coordination. Robust provisions and obligations are needed to deal with interface risk, programme and delay claims, pinpointing liability for defects, smart dispute avoidance, management and integration across contracts.

Transparent procurement and clear contract strategies and drafting can operate to identify risk early and reduce it, while enabling collaboration, cooperation and flexibility.

Nuclear power projects are regaining global momentum. The focus is rightly on the engineers and scientists who will bring these projects to life, but legal advisors will also have a critical role to play in ensuring that project models remain efficient, commercially viable and regulatorily compliant.

We offer tailored advice on contract structuring, interface risks and dispute resolution strategies for nuclear and other complex energy infrastructure projects. **II**