



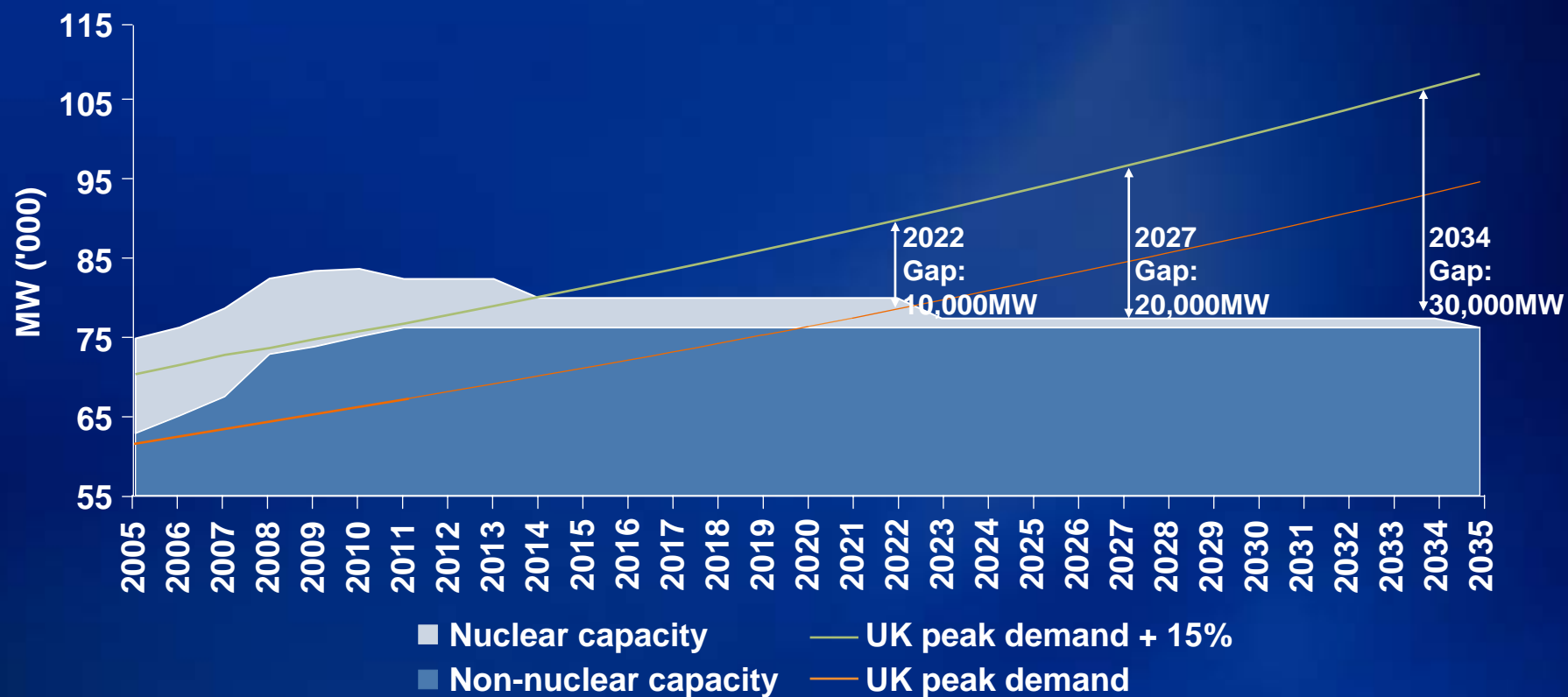
# Power sector - Implications of uncertainties for developing an optimum portfolio

Stephen Machin, KPMG LLP

Westminster Energy Forum: 18 October 2006

# The energy supply crunch is coming..

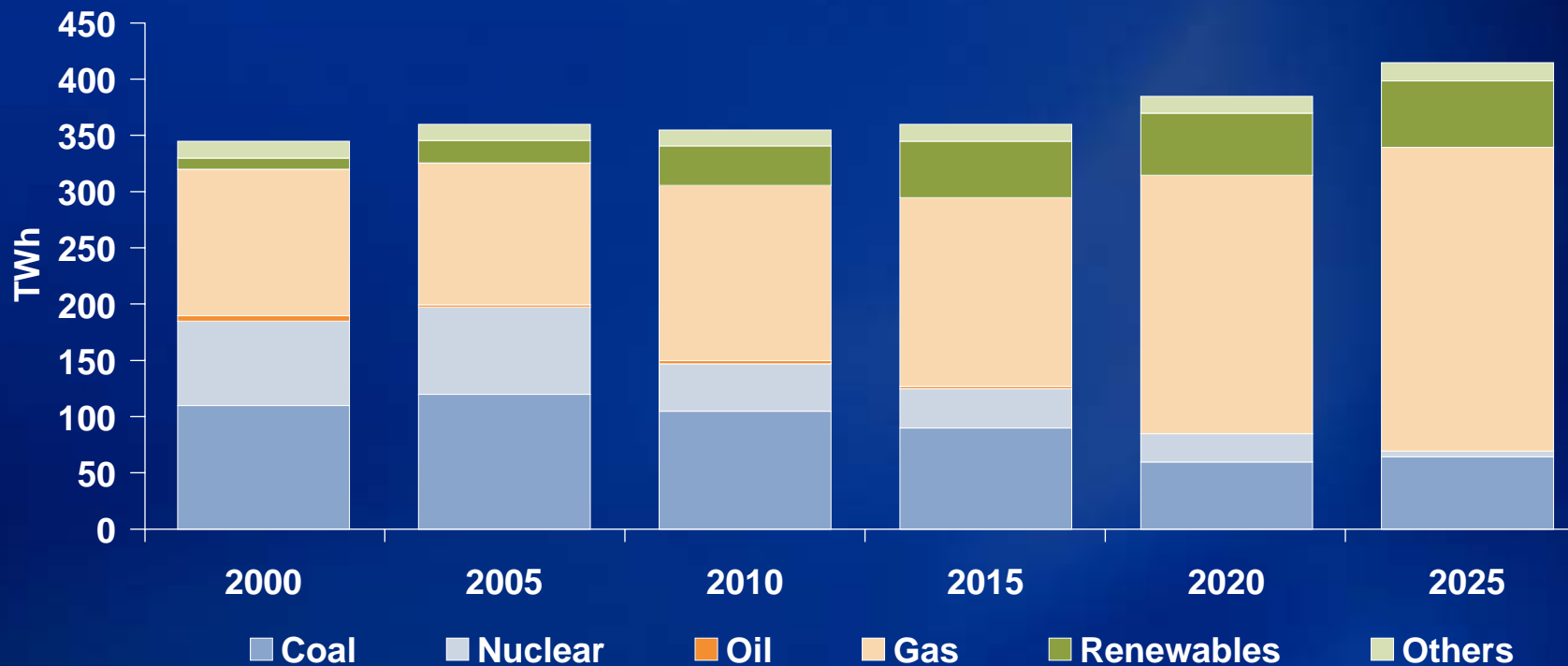
## UK electricity demand and capacity (known supplies)



Source: National Grid figures

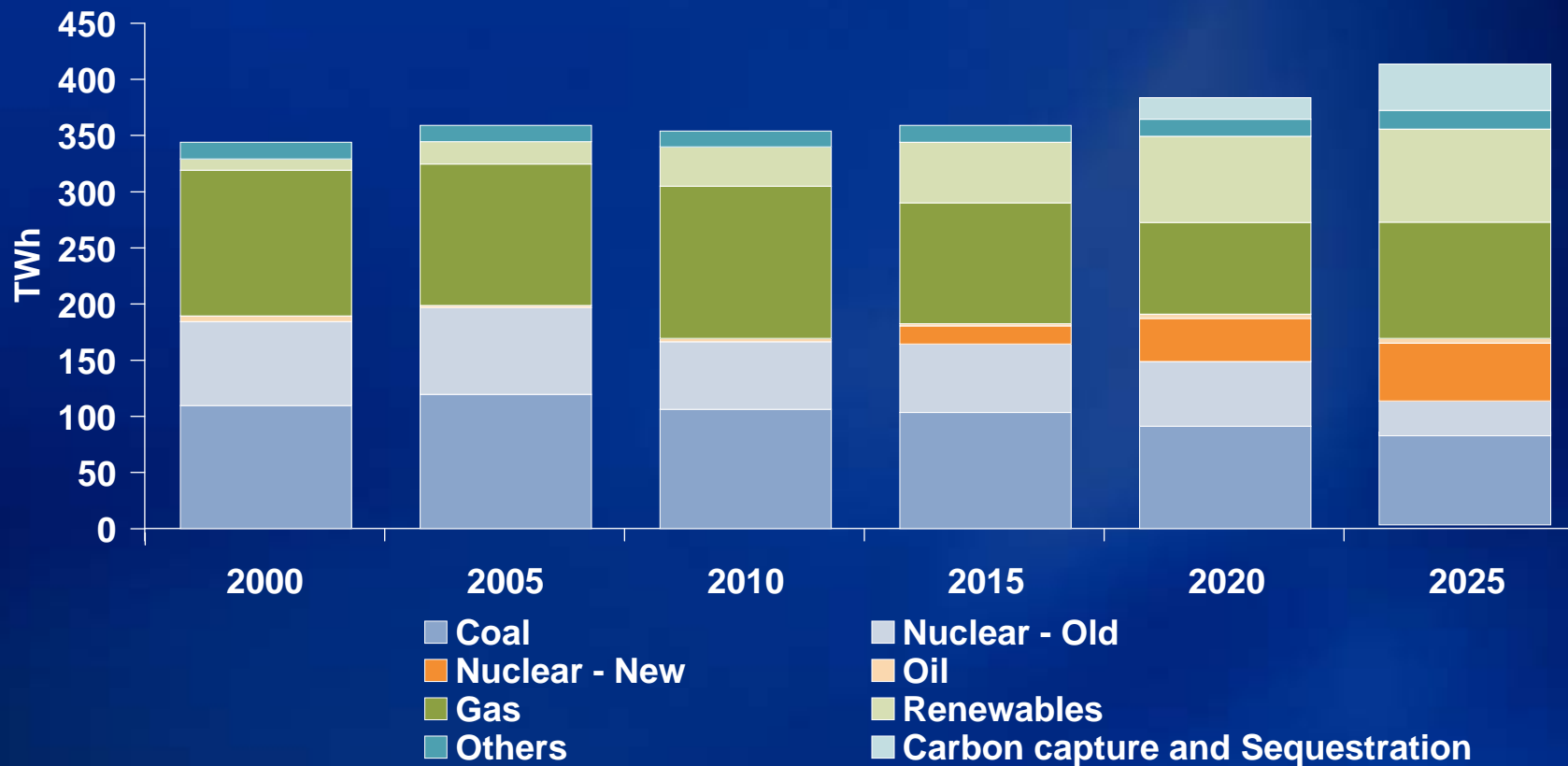
# No intervention will lead to an overdependence on imported gas...

## Electricity generation fuel mix – no intervention



# A more balanced, low carbon scenario will require decisive action on the part of government...

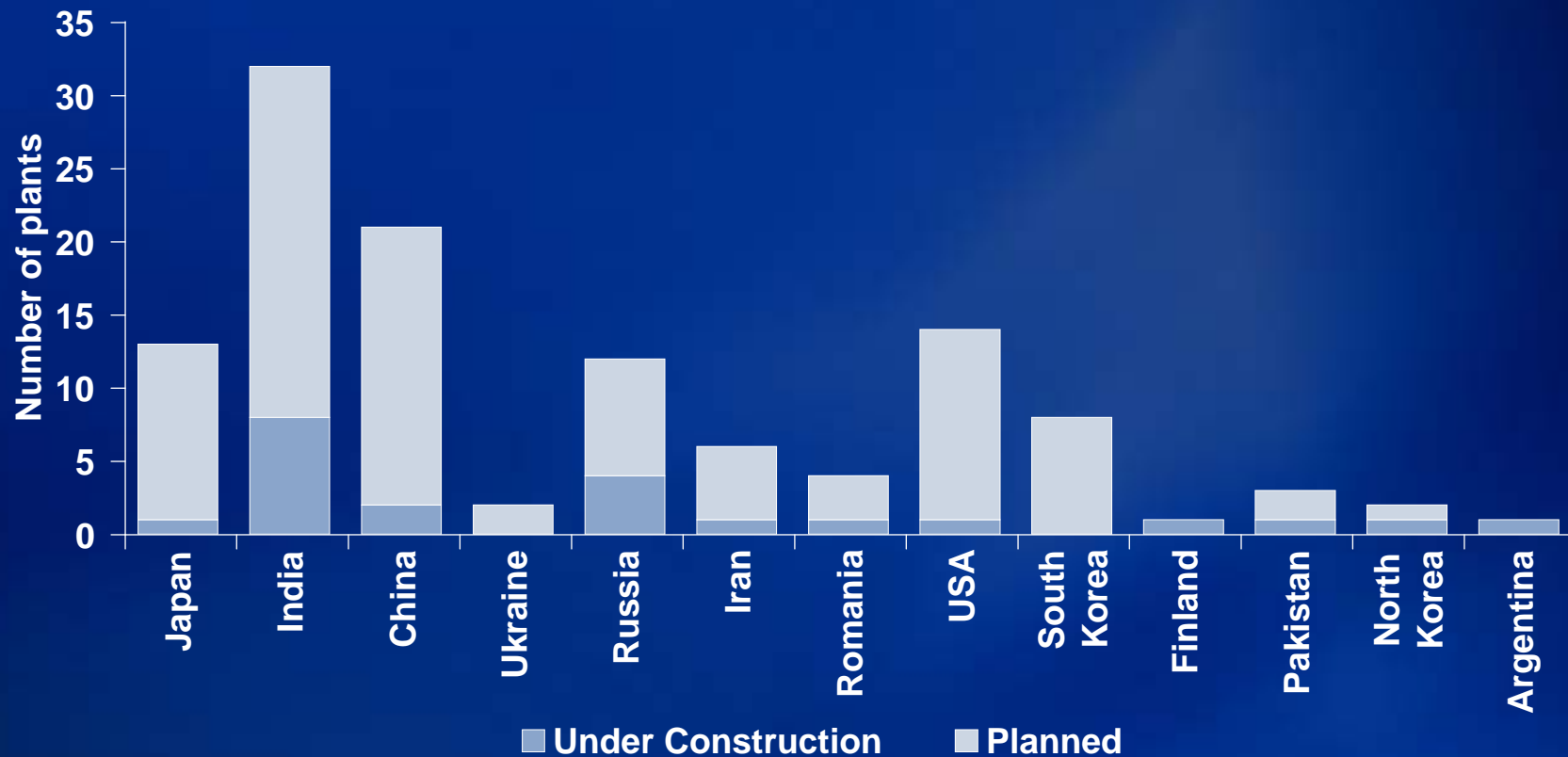
## Electricity generation fuel mix low carbon, balanced portfolio



# Investors need certainty

- Carbon framework
- Speeding up planning
- Pre-licensing
- Nuclear waste
- Skills

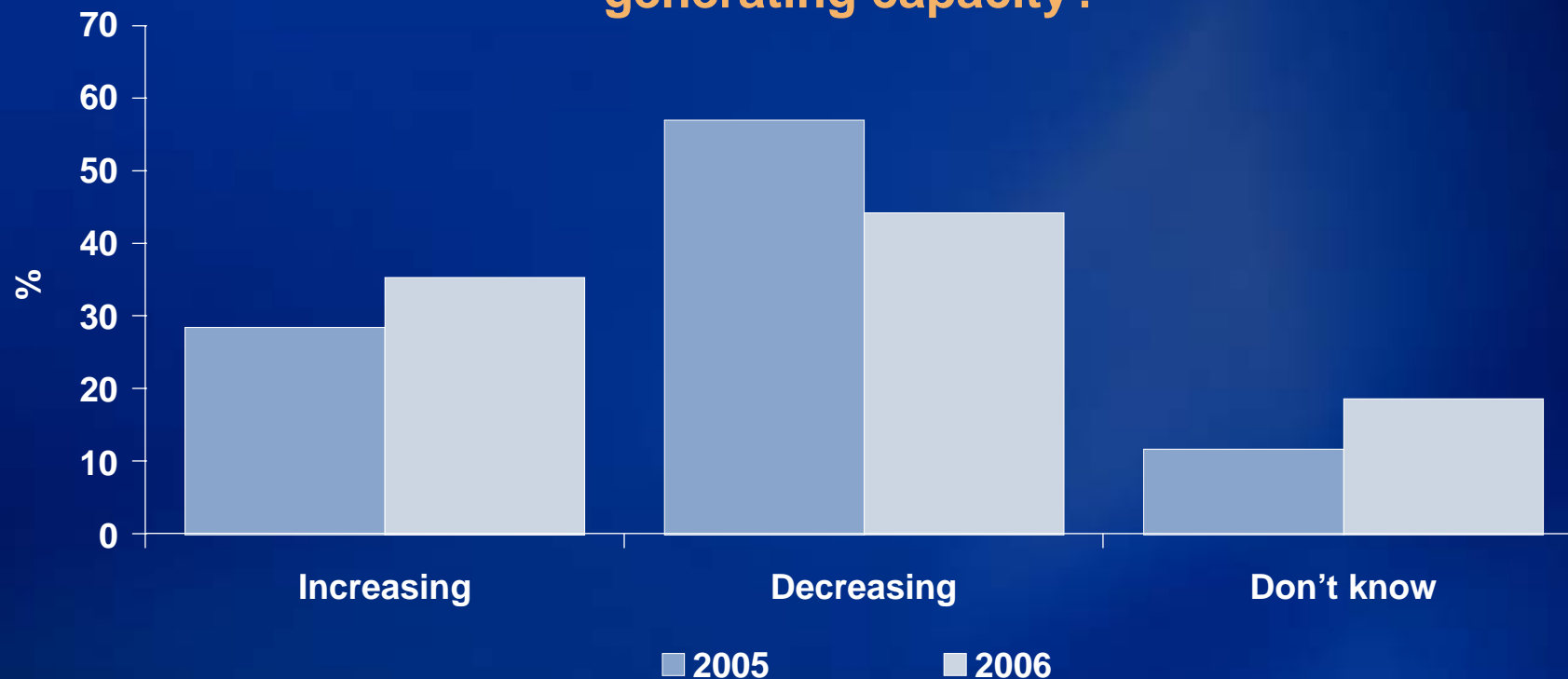
# Nuclear Power Plants Under Construction and Planned 2003-2010



Source: World Nuclear Association

# The opposition to nuclear seems to be weakening...

Do you think we should be increasing or decreasing our nuclear generating capacity?



Source: KPMG / YouGov Survey 2005 and 2006

# Political leadership is needed....(or perhaps a blackout!)





## **Presenter's contact details**

**Stephen Machin**

**UK Head of Power & Utilities**

**KPMG LLP**

**+44 (0)20 7311 4634**

***stephen.machin@kpmg.co.uk***

***www.kpmg.co.uk***



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