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# The UK Energy Review and the Nuclear Framework

Political and regulatory contexts

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# Presentation Outline

- Government Energy Policy
- Energy Review Recommendations
- Conclusions on Nuclear Policy
- What happens next?

# Government Energy Policy

- 2003 Energy White Paper Goals:
  1. Reducing carbon emissions
  2. Maintaining reliable energy supplies
  3. Promoting competitive markets
  4. Ensuring that every home is adequately & affordably heated

# The Energy Review

- **Timescale: 2010+**
- **Broad scope**
  - Demand and supply side
  - Not just electricity generation
- **The government's commitment to:**
  - The Energy White Paper goals
  - Markets as best way of delivering against goals

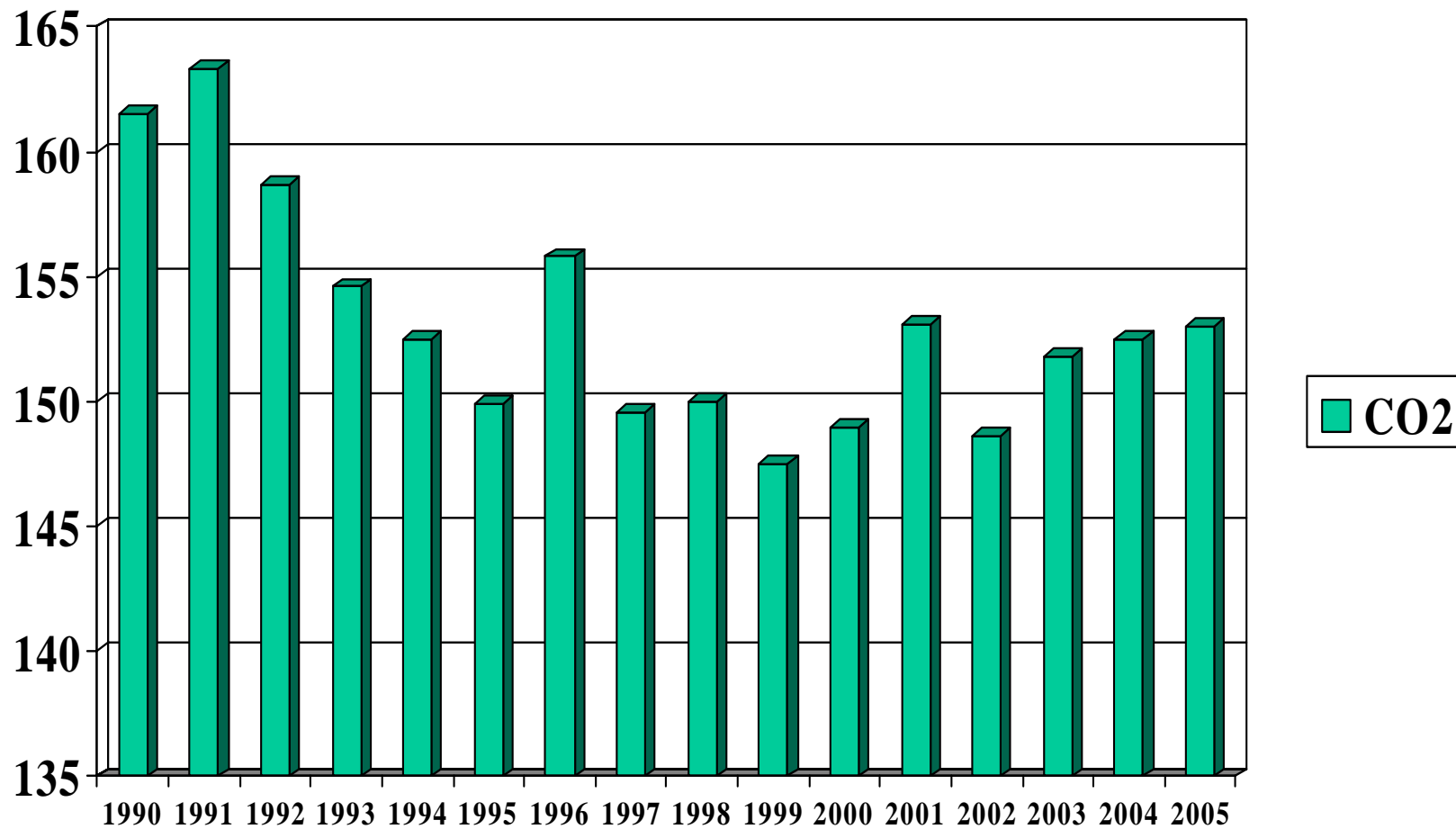
# Energy Review Recommendations

- **Report 'Our Energy Challenge' launched July 06**
- **Package of measures for further action on both the supply of, and the demand for, energy:**
  - International efforts on carbon pricing
  - Saving Energy
  - Cleaner Energy
  - Secure Energy Supplies

## The Energy Review

- “Around 8GW of coal power stations must close no later than 2015.”
- “Based on published lifetimes, more than 10GW of nuclear will close by 2023”
- “in total UK is likely to need 25GW of new electricity generation capacity by 2025”

# UK CO<sub>2</sub> emissions



# The Energy Challenge: Nuclear Analysis

- Comprehensive cost-benefit analysis to consider whether nuclear should have a role.
- Issues considered:
  - *Economics (costs, gas and carbon prices)*
  - *Potential Carbon Savings*
  - *Regulatory protection*
  - *Availability of fuel*
  - *Supply chain and nuclear skills*
  - *Waste and decommissioning*
  - *Transmission networks*
  - *Availability of potential sites*

## Review Conclusions on Nuclear:

- The Government believes that nuclear has a role to play in the future UK generating mix alongside other low carbon generating options.
- Any new nuclear power stations would be proposed, developed, constructed and operated by the private sector, who would also meet full decommissioning costs and their full share of long-term waste management costs.
- Government's role is to take facilitating measures to enable new nuclear build to come forward as a generating option.

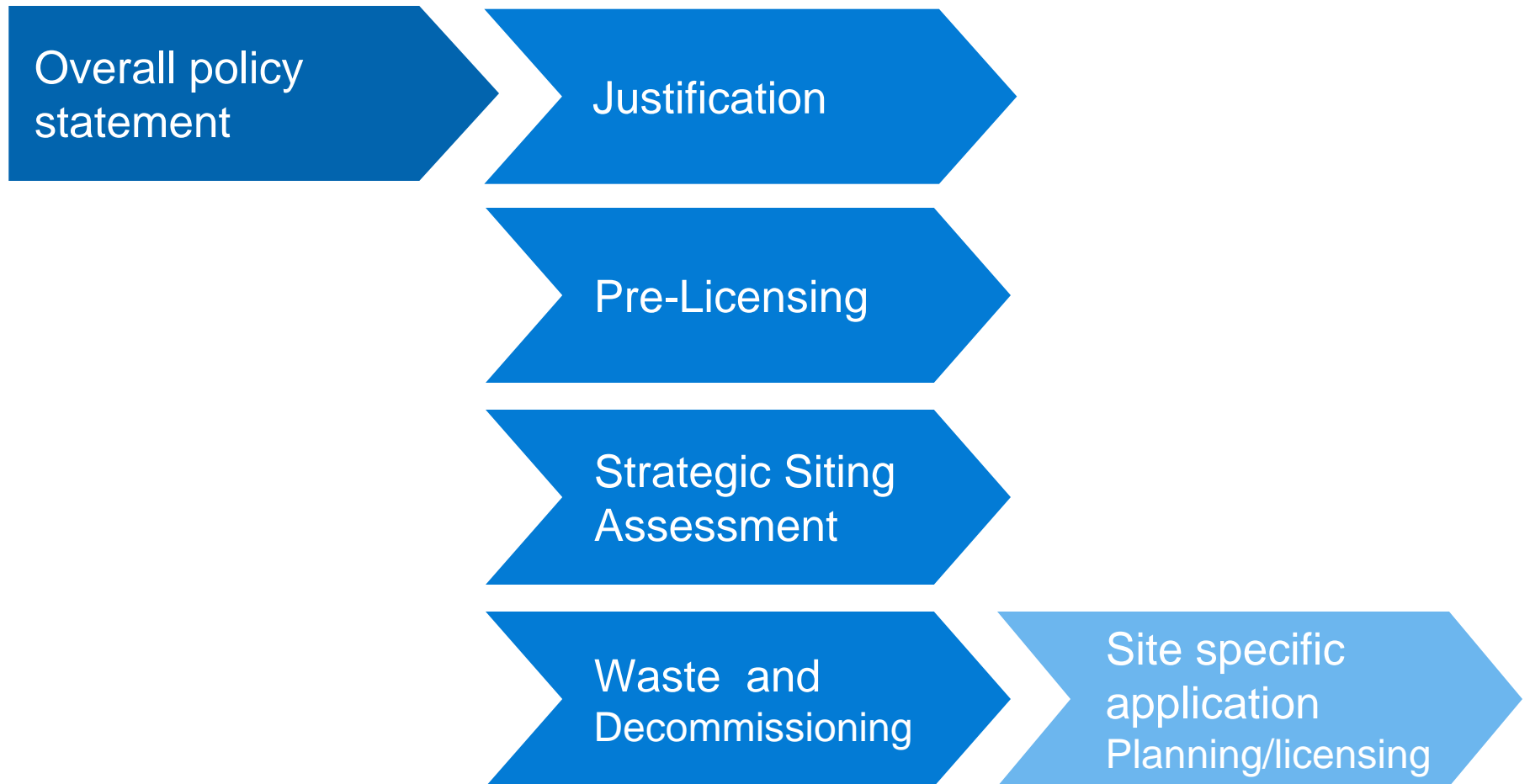
# Proposed Nuclear Policy Framework



## Next Steps

- An Energy White Paper
- A further round of consultation on the nuclear power
- A clear process, if nuclear is to play a role, aimed at timely decision making

# The process, subject to the consultation



## Conclusions

- Nuclear only a part of overall energy policy
- An in-principle consultation on nuclear
- A clear process, if nuclear is to play a role, aimed at timely decision making
- Actual outcome dependent on the operation of the market including the carbon pricing regime.