



Project Financial Management: Potential Pitfalls Emerging Post-Review

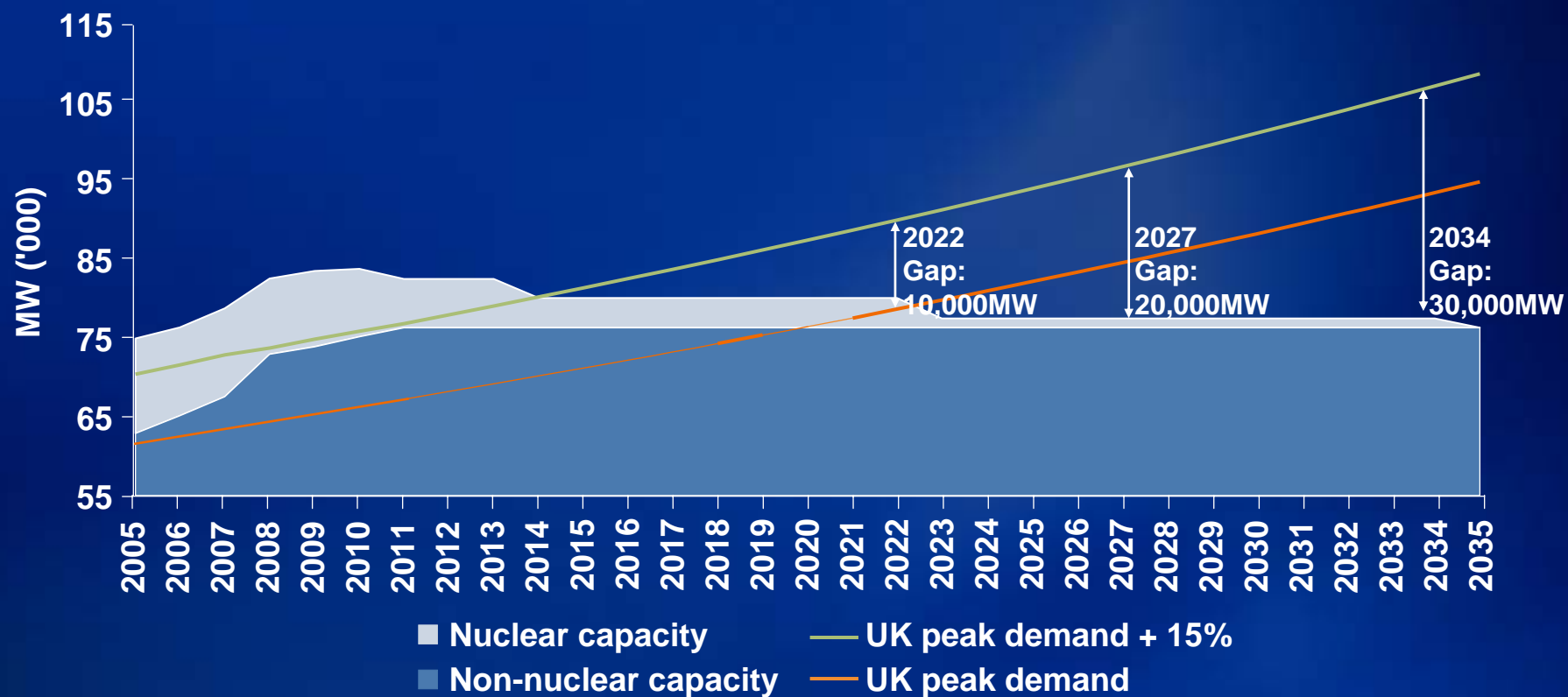
Simon Virley, KPMG

Westminster Energy Forum

14 March 2007

The energy supply crunch is coming ...

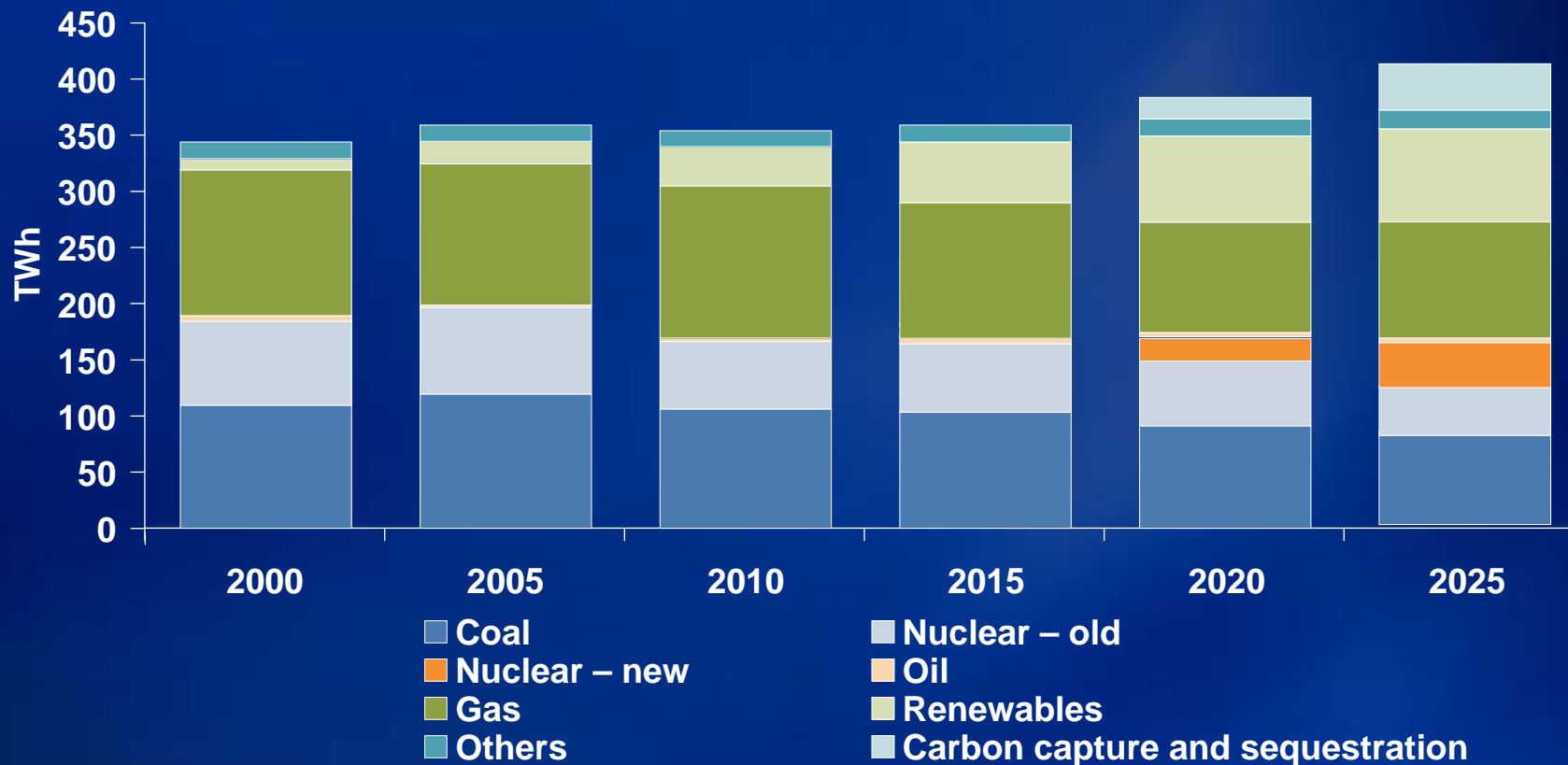
UK electricity demand and capacity (known supplies)



Source: National Grid figures

A balanced, low carbon mix will require decisive action on the part of government ...

Electricity generation fuel mix low carbon, balanced portfolio

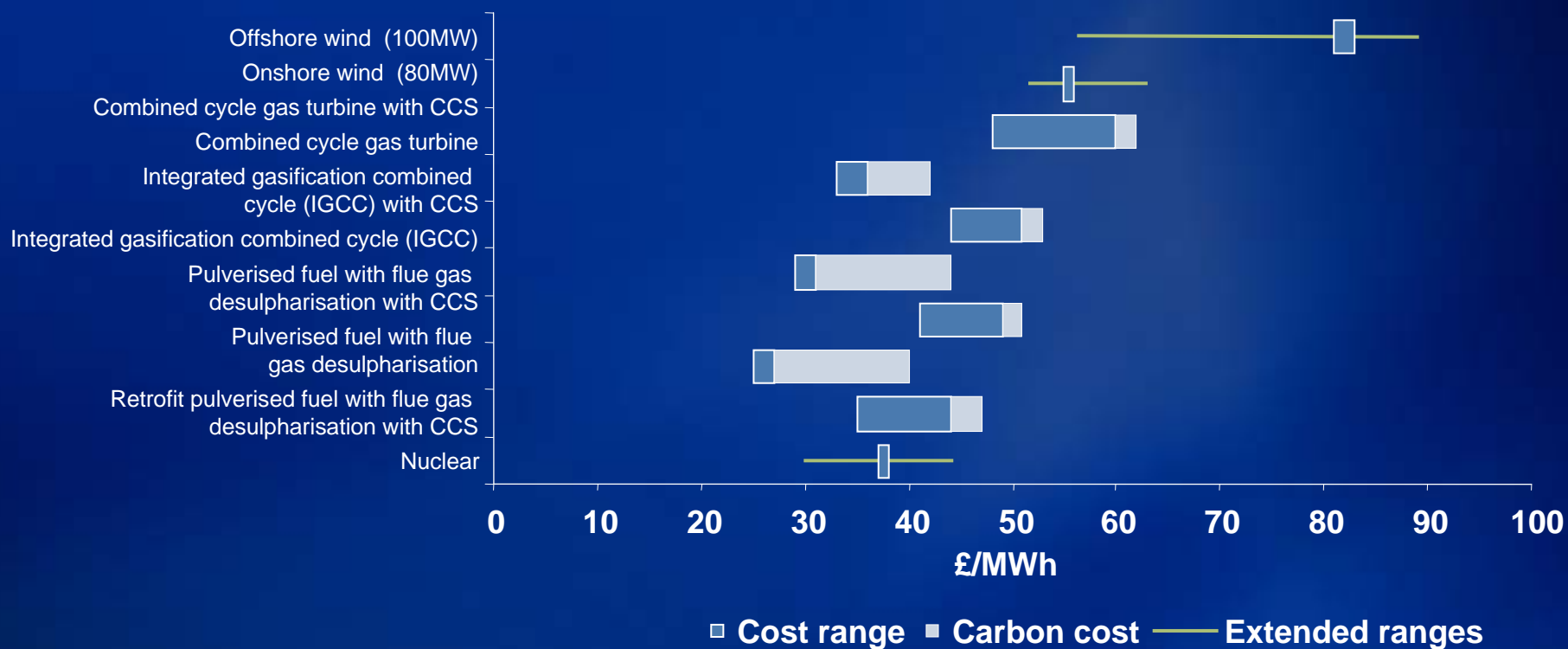


Other countries are taking a different approach ...



Source: KPMG illustration using WNA figures for new build programmes

Nuclear can be competitive...



Source: *The Energy Challenge*, DTI, July 2006

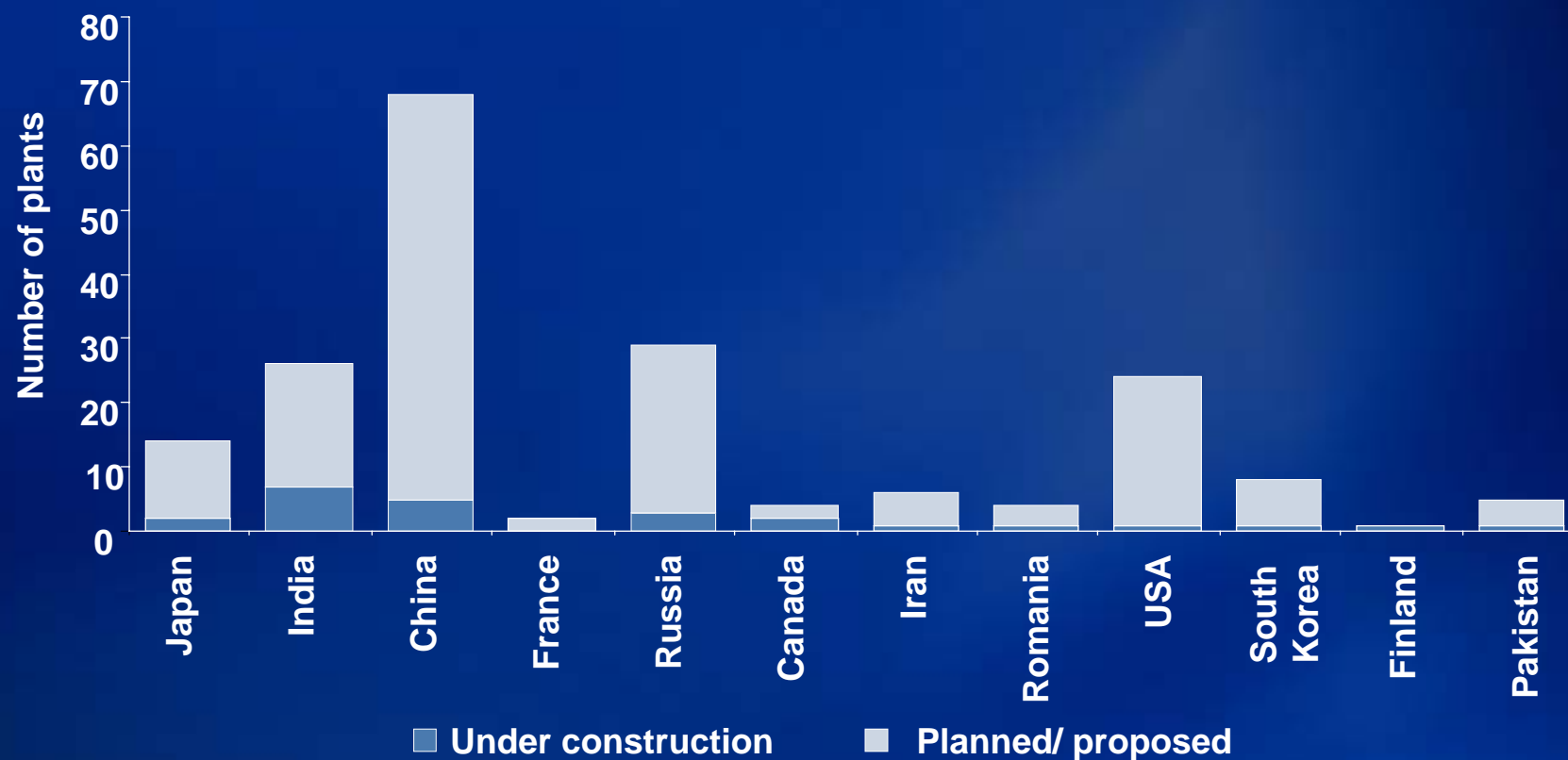
The key is the carbon market ...

EU ETS spot market prices 1 Dec 2004 to 2 March 2007



Source: Point Carbon – carbon market spot price

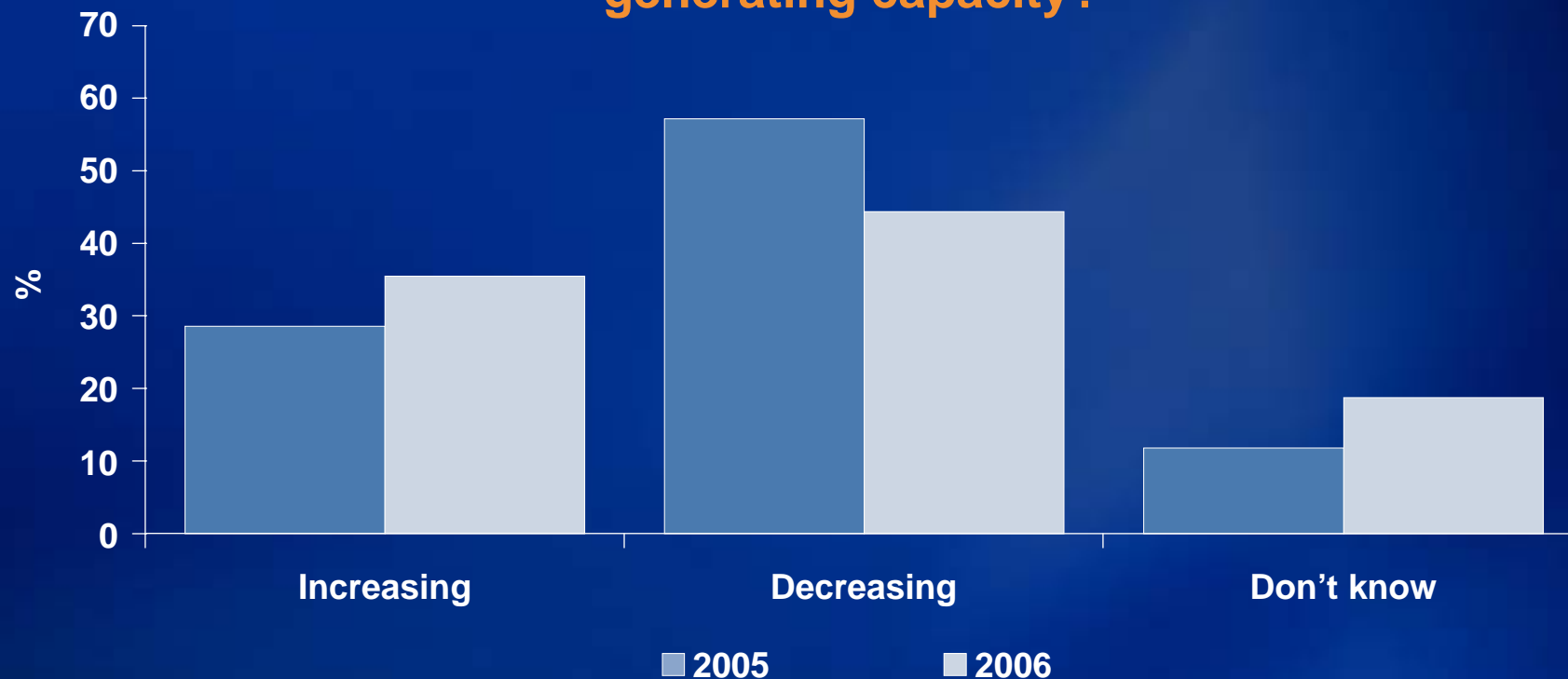
The UK is competing in a global market...



Source: World Nuclear Association, January 2007

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



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