Update from BEIS

APGTF Workshop: Power Generation Under Increasingly Stringent Emissions Regulations

6 December 2016
BEIS - a new department

An economy that works for everyone – so that there are great places in every part of the UK for people to work and for businesses to invest, innovate and grow
The “Energy Trilemma”
Decarbonisation – the context

- Carbon Budgets
- Emissions Reductions Plan
- Paris Commitment
The power sector is changing
Energy Security

If energy runs out it would impact households and businesses…

…as well as having huge political fallout
....What’s the problem?
What’s the solution?

The **Capacity Market** is designed to encourage investment in electricity capacity – both generation and Demand Side Response - through competitive auctions.
Proposals for consultation (to 1 Feb 2017) to set requirements on coal plants to invest in CO2 abatement by 2025, or close.

- Provide clear market signals regarding the future of the remaining coal plants to investors in new capacity, including new gas generators;
- Ensure that the transition from unabated coal to other forms of generation is orderly and smooth.
- Secure reductions in CO2 emissions, and NOx, SO2, etc.

Coalconsultation@beis.gov.uk
Action on unabated coal power (2/2)

Options:

1. Extending both the EPS (‘as is’) and planning requirements for new build coal plant to cover GB’s existing fleet of coal power stations, i.e.
   - Demonstrate Carbon Capture and Storage (CCS) technology on a proportion of capacity (e.g. at least 300MWe);
   - Undertake necessary work to demonstrate that the remainder of the plant could be retrofitted with CCS in the future.

2. Apply a modified version of the EPS to existing GB coal power stations, altering the current mass-based limit on emissions to a concentration-based limit 450g/kWh (broadly aligned to gas generators), applied to each generating unit.
Support for Innovation

• 2015 commitment to double the UK’s energy innovation spend, such that by 2021 it will have doubled to over £400m p.a. Support innovation across the energy sector.

• Autumn Statement (Nov 2016) - a new Industrial Strategy Challenge Fund, supporting collaboration between business and the UK science base and the delivery of our Industrial Strategy.
Thank you

Steven Mills
Steven.mills@beis.gov.uk