

---

# Update from BEIS

## APGTF Workshop: *Power Generation Under Increasingly Stringent Emissions Regulations*

6 December 2016

  
Department for  
Business, Energy  
& Industrial Strategy

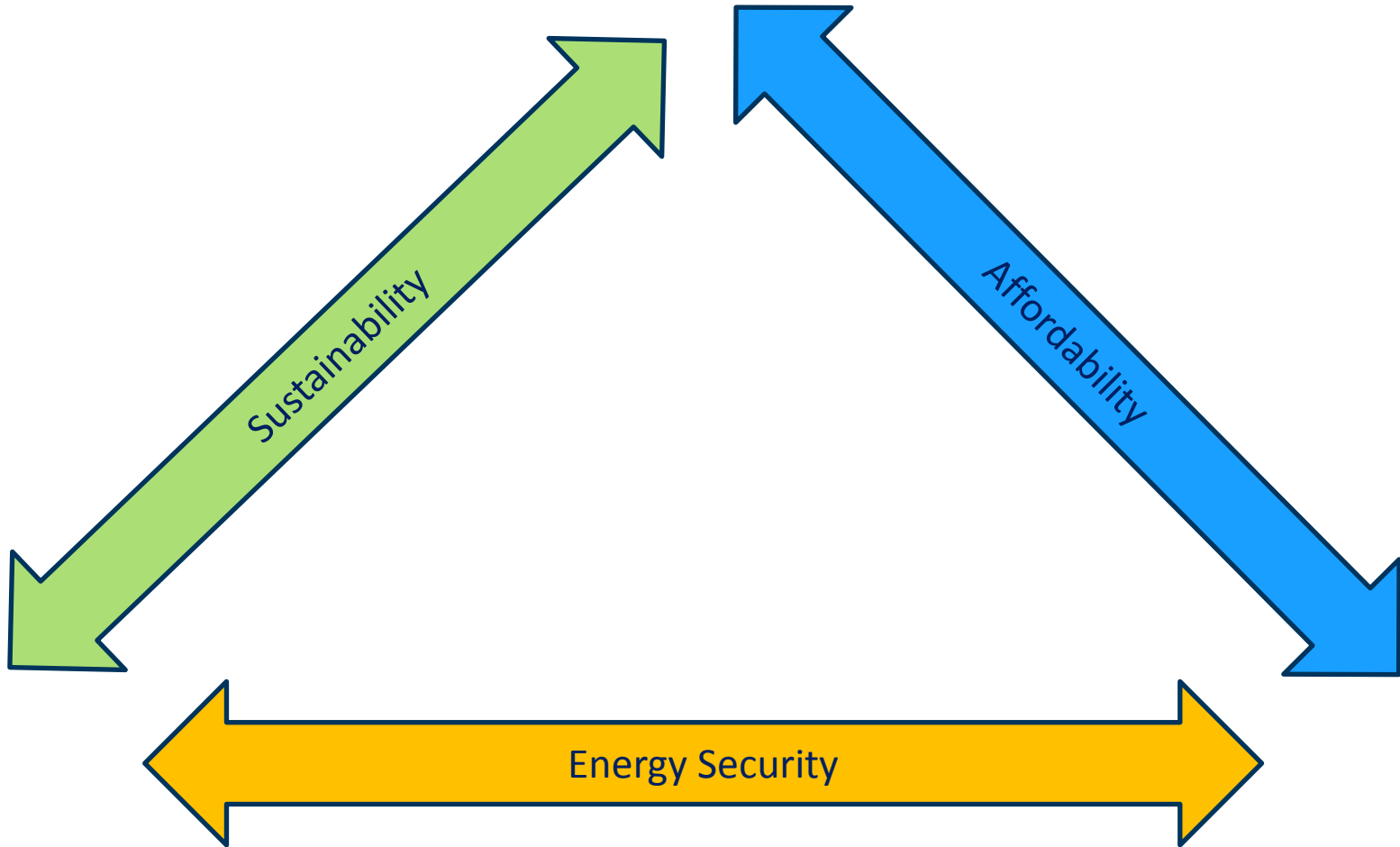
# BEIS - a new department



***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

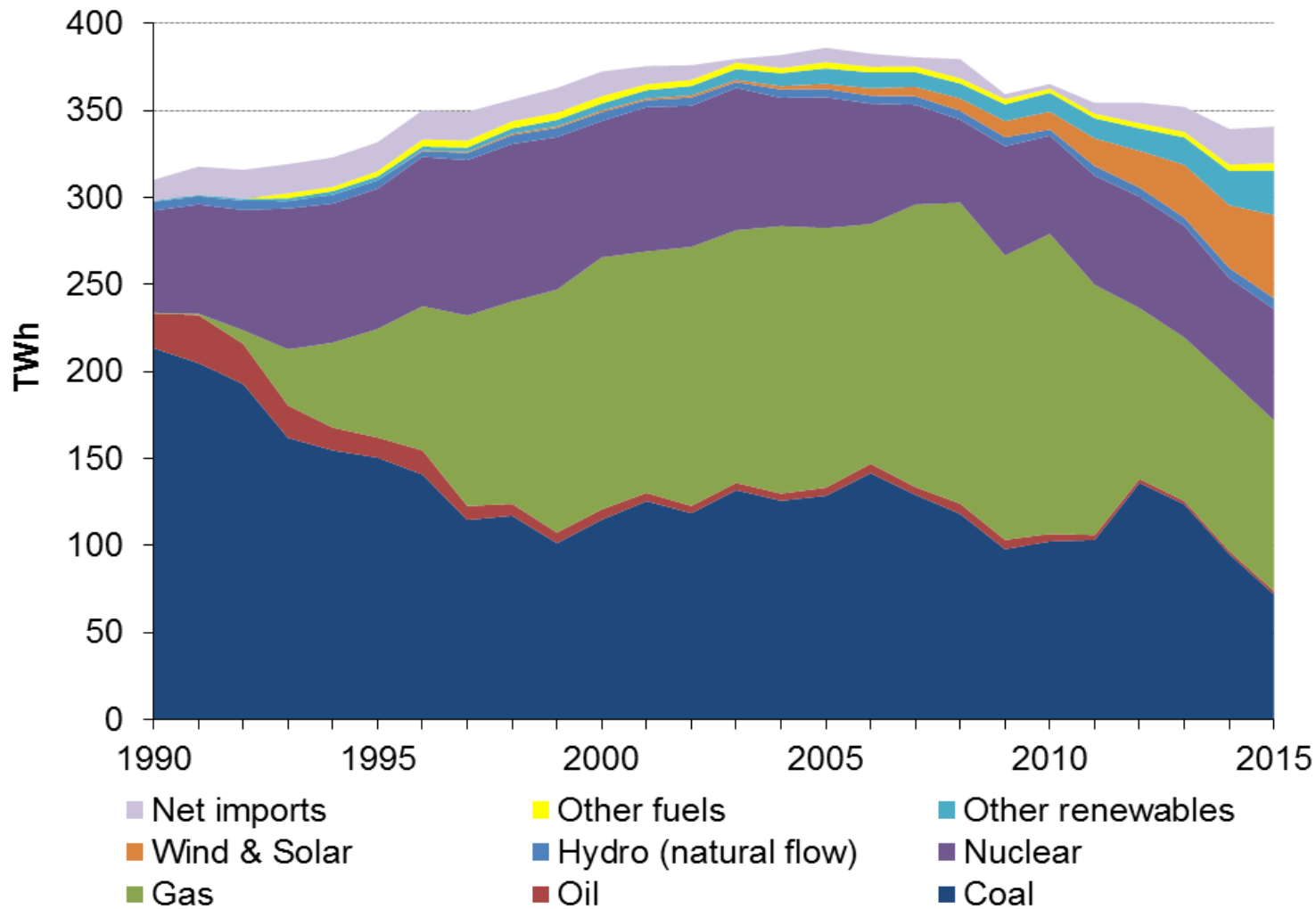


Climate Change Act 2008



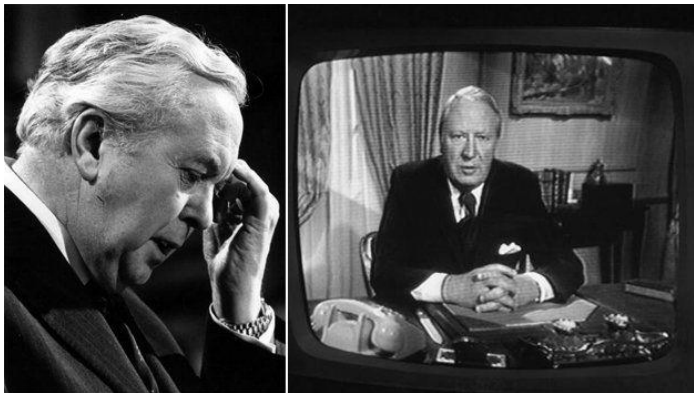
**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
COP21·CMP11

# The power sector is changing



# Energy Security

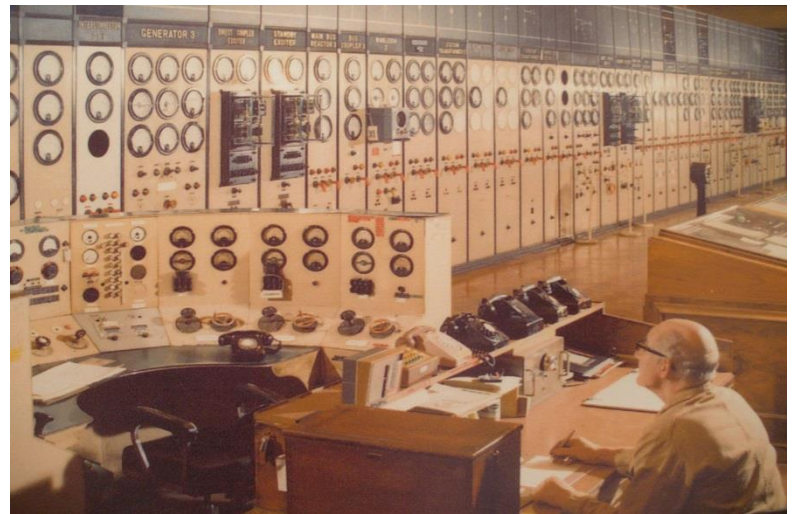
If energy runs out it would impact households and businesses...



...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.





# Action on unabated coal generation (1/2)

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](mailto: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](mailto:Steven.mills@beis.gov.uk)