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An interview with Neil Parish MP

Keeping the Lights On Andrew Bainbridge, Major Energy Users' Council

Paper: Unfolding the future David Workman, Confederation of Paper Industries

ETS Competitiveness: A cost-benefit analysis Dr Meloria Meschi, FTI Consulting

ENERGY FOCUS



A level playing field in EU energy costs

Tim Morris from Tata Steel looks at the UK's green levies and Europe's emissions framework on page 6

The journal of the
Parliamentary Group
for Energy Studies





The Parliamentary Group for Energy Studies

Established in 1980, the Parliamentary Group for Energy Studies remains the only All Party Parliamentary Group representing the entire energy industry. We champion cross-sector energy research and development. The Group's membership is comprised of over 190 parliamentarians, 130 associate bodies from the private, public and charity sectors and a range of individual members.

Published three times a year, *Energy Focus* records the Group's activities, tracks key energy and environmental developments through Parliament, presents articles from leading industry contributors and provides insight into the views and interests of both parliamentarians and officials.

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CHAIRMAN'S FOREWORD



This year is speeding past, with both the PGES annual dinner and the Chancellor's Budget already behind us.

The annual dinner was once again a great success and I would like to take this opportunity to thank the Secretary of State for speaking, and to Costain for making the event possible. I was especially delighted to meet some of their graduates and apprentices who I'm certain will ensure a bright future for the sector.

In addition, in March, the Chancellor rose in the House to deliver his Budget. As part of that, he acknowledged the great contribution that the UK's heavy industry and major energy users make to the economy: making up 35% of manufacturing exports and employing half a million people. So this issue, I'm delighted that we will be hearing directly from those involved in and around the organisations affected by the announcements.

Once again, we have an array of high-level contributors including:

- **Andrew Bainbridge**, Chairman of the Major Energy Users' Council (MEUC) looks at four key campaigns to eliminate the threat of blackouts (**page 4**).
- **Tim Morris**, Head of Public Affairs at Tata Steel explains why action on the UK's escalating green levies and Europe's emissions framework is so important (**page 6**).
- **David Workman**, Director General at the Confederation of Paper Industries, looks at how the industry is working together for the future (**page 8**).
- **Dr Meloria Meschi**, Managing Director of Economic and Financial consulting at FTI, looks at the benefits of carbon leakage exemptions (**page 10**).
- And as if that wasn't enough, our very own **PGES Treasurer Neil Parish MP** considers international and domestic threats to the UK's energy security, and explains what the Government is doing to address them, in our interview section (**page 12**).

As always, we are always delighted to hear from members, so please do share your thoughts and feedback by emailing Sophie Fernandes, editor, at sophiefernandes@pges.org.uk

Ian Liddell-Grainger MP
Chairman of the Parliamentary Group for Energy Studies

KEEPING THE LIGHTS ON

Andrew Bainbridge, Chairman of the Major Energy Users' Council (MEUC) looks at four key campaigns which could help eliminate the threat of blackouts.



As we head towards a general election it would appear that whatever progress had been made in providing for Britain's energy future has ground to a halt. The sad fact remains that as coal-fired power stations continue to be phased out, little is coming forward to replace them.

A major offshore array has been abandoned and civil servants still report that we are a long way off a final agreement to proceed with Hinckley Point C nuclear power station. Britain's major energy consumers are expressing deep concerns that sooner rather than later the 'lights will be going out'. The political goodwill on energy within the Coalition that was so apparent during the first few months of this Government has run of out steam.

The priorities

Without political direction, investment will not be forthcoming. Without investment the planning margin, or spare capacity to

cope with peak demand, is reducing further and about to go critical. If nothing changes by the end of this year, the MEUC's industrial and commercial organisation members fear they will be facing power cuts. In turn, this will severely affect the country's ability to continue to grow the economy and provide the much-needed jobs to reduce unemployment.

Larger consumers need to carry on and now many are looking for creative ways to permanently reduce their consumption and/or create their own generation to secure their future.

Findings from a recent survey of members carried out during our annual Westminster Energy Conference revealed serious concerns, with the majority stating they couldn't afford to wait for the results of the next election before making progress.

As a result, MEUC will this year be focusing on four key messages for the

benefit of our large business organisation members:

1. Delivering demand reduction to keep the lights on.
2. Supporting members to get the best out of third party intermediaries (TPIs).
3. Supporting members to keep energy prices in competitive check.
4. Cutting the administrative energy-reporting burden.

Throughout the year, MEUC is planning to run a number of conferences focusing on these specific key issues. Indeed, our Spring Roadshow events in Bolton, Birmingham and London in May, will debate these issues in detail with contributions from users, suppliers, government departments and consultants.

Demand reduction

Despite the Energy Act seeking to drive major changes to provide stability and confidence in the energy