

PRESS RELEASE***NEW NUCLEAR POWER STATIONS? – PROBABLY NOT*****ENERGY REVIEW WILL FAIL TO DELIVER**

On Tuesday July 11th, the Department of Trade and Industry published its Energy Review Report 2006.

The Review makes it clear that the Government wants the development of new nuclear power stations “to replace those becoming obsolete” as part of the solution to the twin problems of energy security and global warming.

Yet it will be for the private sector “to initiate, fund, construct and operate new nuclear plants” while the Government “proposes to address potential barriers to new nuclear build”.

The Government intends to make proposals for shortening and simplifying the planning process.

David Cox, Managing Director of Pöyry Energy Consulting said today:

“In our opinion, the measures in the Energy Review will not work to bring about new nuclear capacity in the UK. Easing the planning process will not in itself bring forward new nuclear capacity – the fundamental problems preventing build were, and still are, related to economic factors including the future price of electricity and the price of carbon”.

“We believe that there is likely to be little appetite for private sector investment in nuclear power in the UK, unless the Government takes significant steps to underwrite market risk or support the generation price that nuclear entrants would receive. It is likely to be difficult, politically, for the Government to push through such measures.”

END OF RELEASE

NOTES TO EDITORS

Pöyry Energy Consulting (formally ILEX Energy Consulting) is a leading independent energy markets consultancy, specialising in competitive electricity, gas and carbon markets in the UK and continental Europe.

Background

Pöyry Energy Consulting will be reporting shortly with a detailed analysis of the economic conditions, prices and risks facing prospective power station developers.

The ILEX market report is called:

“The British wholesale power market: aftermath of the 2006 Energy Review”

Further information

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