



Consultus Energy Outlook

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Investigations launched as power outage disrupts country

A power outage affecting much of England and Wales occurred at around 16:54 BST on 9 August.

National Grid Electricity System Operator (ESO) commented that “the root cause of yesterday’s issue was not with our system but was a rare and unusual event, the almost simultaneous loss of two large generators, one gas and one offshore wind”.

The company said it was “working with the generators to understand what caused the generation to be lost.” The generators are understood to be Little Barford gas turbine (664MW capacity) and the Hornsea One offshore wind farm (812MW capacity).

According to the ESO, following the outages “other generators on the network responded to the loss by increasing their output as expected. However, due to the scale of the generation losses this was not sufficient, and to protect the network and ensure restoration to normal operation could be completed as quickly as possible, a backup protection system was triggered which disconnects selected demand across GB.”

Energy regulator Ofgem has requested “an urgent detailed report from National Grid so we can understand what went wrong and decide what further steps need to be taken. This could include enforcement action.” National Grid ESO submitted the report on 16 August and the ESO said that it expected Ofgem to release it publicly this week.

Additionally, the government said it would be commissioning the Energy Emergencies Executive Committee to investigate the incident. The committee will review the actions of National Grid and provide a report on initial findings to Business Secretary within 5 weeks, with a full report to come in 12 weeks.

Andrea Leadsom replaces Greg Clark as Business Secretary

Greg Clark was replaced as Business Secretary by Andrea Leadsom as part of Prime Minister Boris Johnson’s cabinet reshuffle on 24 July. He has been replaced by Andrea Leadsom, who was Minister of State for Energy at the Department for Energy and Climate Change from 2015 to 2016.

Claire Perry has also left her role as Energy and Clean Growth Minister to become COP26 President. Kwasi Kwarteng replaced her. Additionally, Lord Duncan of Springbank was appointed as Minister for Climate Change. His responsibilities include Lords lead on all BEIS issues, international climate change (including the International Climate Fund), climate science and innovation, clean heat, smart meters and smart systems.

Business emissions reporting consultation launched

The Financial Reporting Council (FRC) launched a consultation on the draft Streamlined Energy & Carbon Reporting (SECR) Taxonomy to make changes to business carbon reporting requirements.

Published on 2 August, the consultation is a proposed addition to the FRC Taxonomies suite to reflect new reporting requirements for energy and carbon data introduced on 1 April. These apply to all large companies, LLPs and listed companies, superseding Mandatory Greenhouse Gas Reporting.

The draft has been uploaded via Yeti, where all views are welcomed. A closing date has yet to be announced.

Government launches business electrification challenge

The Department for Business, Energy and Industrial Strategy (BEIS) announced a new electrification fund for businesses.

Launched on 25 July, there is up to £19mn from the Industrial Strategy Challenge Fund to invest in projects that support the creation, development and scale-up of supply chains in power electronics, machines and drives.

Businesses of any size may apply for a share of this funding, where the competition has two strands: one for larger projects with total costs between £1mn-£3mn, and another for smaller projects with total costs between £250,000-£1mn.

The competition opened on 29 July with the deadline for applications 25 September.

Think tank recommends unfreezing fuel duty to reduce air pollution

Think tank Bright Blue has made a number of recommendations for how the UK could reduce air pollution in a new report, with one suggestion for the government to adopt a stricter limit.

Published on 12 August, the report, *Emission Impossible? Air Pollution, National Governance and the Transport Sector*, gave recommendations for increasing national accountability on air pollution, as well as recommendations on how to reduce air pollution from transport. Legal duties should also be placed on all local authorities to meet air pollution targets for their geographic area of responsibility, Bright Blue said. In addition, relevant public bodies should also have a legal duty to meet air pollution targets in areas where they have responsibility.

Bright Blue found that, in 2016, 33.8% of the UK's transport NOx emissions came from road transport. To reduce air pollution from transport, it said the government should lift the Fuel Duty freeze which has been in place since 2010. In addition, the government should introduce a surcharge on diesel (badged as a 'Diesel Duty'). As well as the Diesel Duty, the government should also introduce an ongoing surcharge on new diesel cars – a 'Diesel Excise Duty'. The purchase of ultra-low emission vehicles (ULEVs) should be exempt from VAT, it also recommended.

Government faces challenge over funding scheme onshore wind "discrimination"

The government is facing a legal challenge over the Contracts for Difference (CfD) low-carbon generation funding scheme.

Banks Renewables announced in a 15 August statement that it is challenging the government's "present discrimination in favour of offshore wind at the expense of onshore wind and other renewable energy technologies."

The company believes the exclusion of fully-consented onshore wind farms from the CfD process is against the public interest, prevents consumers from benefiting from the lower energy prices that would result from their inclusion and, from a legal perspective, does not comply with either EU or UK law.

BEIS confirmed via email that the CfD is facing a legal challenge. A BEIS spokesperson said on 14 August: "We run the scheme lawfully and will be contesting this claim."

In other news

- The Federation of Small Businesses (FSB) pointed to a government survey which shows 79% public support for onshore wind, as part of a coalition of other organisations which has urged the government to support onshore wind. FSB Policy and Advocacy Chairman Martin McTague said: "the FSB also wants to see the UK lead the world in renewable technologies [...] ensuring that our small firms are empowered to supply their products, services and expertise to these industries."
- Europe has the capacity to produce more than 100 times the amount of energy it currently produces through onshore windfarms, the University of Sussex and Aarhus University revealed in a report published in the September 2019 volume of *Energy Policy*. The study finds that Europe has the potential to supply enough energy for the whole world until 2050.

Talk to us

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