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Dear Colleague,

Several NGOs have inspired constituents letters on an Emissions Performance Standard (EPS) – described as a cap on CO₂ emissions from power stations. There are many assertions in the letters and I am keen you have the facts with which to counter them:

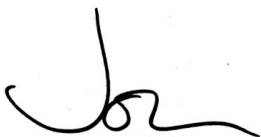
- Both the TUC and CBI have written to MPs to explain the threat to investment posed by the introduction of an EPS at this time. It could mean **no investment in new coal at all** thus making the development of carbon capture and storage (CCS) technology impossible in the UK. It would also apply to gas and thus could seriously undermine investment in gas as well.
- It is **not** true that only an EPS can deal with CO₂ emissions from new coal. The Energy Bill provides for a levy to be raised which will support four coal stations demonstrating CCS and for the future retrofitting of those stations to 100%. CCS has the potential to remove 90% of CO₂ emissions from coal generation.
- There is no EPS anywhere in the world that operates along the lines of NC6. For example, in California, exemption can be given if the investment is necessary to ensure reliable service. Compliance is not monitored. It is also the case, in the California example, that existing gas-fired power stations with higher emissions than EPS are nevertheless deemed to be compliant and do not face any sanctions.
- It is **not** true that the independent Climate Change Committee said that we need to stop emissions from coal plants in the next 10 years. They did say that there will only be a limited role for unabated coal in the 2020's. We agree.

- They have said in relation to EPS, “the CCC does not yet have a view on which measure would best tackle the risks.” Our new reporting arrangements will ensure that Parliament has the opportunity to examine progress on CCS and the CCC’s advice and ensure the government considers whether policy changes are required. Such changes could include introducing an EPS once some experience of CCS has been gained.
- Legislation is **not** required to introduce an EPS as government already has the powers to do so.
- Fossil fuel emissions overall are controlled by the EU ETS with a cap that tightens over time in line with Europe’s emissions reductions targets to deliver an overall reduction of 21% below 2005 emissions by 2020.
- Over the next decade we need to find a way to include clean coal in our energy mix to ensure energy security. The UK already has the toughest regulatory conditions in the world for new coal and the Energy Bill provides the world’s first funding mechanism of its kind to support CCS. We also cannot risk an EPS undermining investment in new gas fired power stations.

If you prefer to send constituent’s letters to me I will be pleased to provide you with replies to them.

In the meantime, I hope you will not be minded to sign NC6.

Best wishes,

A handwritten signature in black ink, appearing to read 'Joan', with a stylized, cursive flourish at the end.

JOAN RUDDOCK