



8th October 2014

For Immediate Release

Stop Hinkley Comment on European Commission Go-ahead for £17.6bn Hinkley Deal

The Stop Hinkley Campaign has expressed its extreme disappointment that the European Commission has today decided to approve subsidies of up to £17.6 billion to EDF Energy to build two new nuclear reactors at Hinkley Point in Somerset.

Stop Hinkley Spokesperson Allan Jeffrey said:

"This deal is clearly illegal under European law; it will saddle UK consumers with the bill for paying huge subsidies for decades, and yet there are more cost effective and safer ways of providing low carbon electricity or not using the energy in the first place. It is mind boggling how the UK government managed to convince the Commissioners to go along with this crazy plan without even the pretence of a competitive process."

But the group vowed to continue its campaign to halt EDF Energy's £16 billion project. The Austrian Government has declared its intention to take the Commission to the European Court of Justice over this decision, which could leave the project in limbo. Legal action would take at least a year to conclude and EDF Energy would have to decide whether or not to risk proceeding with the project in the meantime in case it has to be abandoned if the Austrian appeal is successful. (1) It seems very unlikely that a final investment decision will be taken before the 2015 General Election.

Allan Jeffrey appealed to EDF Energy and the UK Government to spend the next year examining in detail the flurry of recent reports from investment and energy analysts predicting a bright future for solar energy and other renewables as well as energy storage. (2)

"The technology proposed for Hinkley Point C is well past its sell-by-date. It's time for Somerset to look to the future and develop a locally-controlled sustainable energy industry which doesn't involve leaving a toxic legacy for our grandchildren's children and which can tackle climate change and fuel poverty in a much more cost effective way."

END

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Notes

- (1) Times 7th Oct 2014
<http://www.thetimes.co.uk/tto/business/industries/utilities/article4229029.ece>
 (2) See Annex below

Annex

Over the last year a series of reports from financial and energy analysts have concluded that, amongst other things, conventional utility models are no longer fit for purpose. The reports highlight the changes to the old centralised utility model which are on the horizon and the importance of new technologies. They suggest that decentralised energy supply will be increasingly important in the future. A selection of these reports are listed below:

UBS 20 th August 2014 Will Solar, batteries and electric cars re-shape the electricity system?	UBS declares it is “ <i>time to join the [solar] revolution</i> ”. Large centralised power stations could be obsolete with 10 to 20 years, because they are too big and inflexible, and are “ <i>not relevant</i> ” for future electricity generation, according to the bank.	http://tinyurl.com/qxqf2j2
HSBC – Energy Storage, Power to the People	Conventional generators will be the biggest losers from an upcoming energy storage boom, as both consumers and grid operators look to battery and other storage technologies.	Reported in Renew Economy 1 Oct 2014 http://tinyurl.com/kgj246n
Citi Research 28 July 2014. Energy 2020: The revolution will not be televised as disruptors multiply	“We predict that solar, wind, and biomass continue to gain market share from coal and nuclear into the future”.	http://tinyurl.com/lisz8nf9
IPPR, 8 th Sept 2014. A new approach to electricity markets: How new disruptive technologies change everything.	Tackling the policy trilemma of achieving an affordable, decarbonised and secure electricity supply is extremely challenging. The UK’s electricity system, and the policy framework underpinning it, is holding back innovation and cost-reduction because it is propping up a large-scale, centralised utility business model that is fast becoming obsolete.	http://tinyurl.com/ok7a5g8
Citibank	The big six energy suppliers are facing the loss of a quarter of their customers over the next six years	Reported in The Guardian 1 st Oct 2014 http://tinyurl.com/pcolxmz
Barclays	The disruptive impact solar power is having on traditional utilities was highlighted, after Barclays	Reported in Business Green 30 th May 2014

	downgraded the US power sector over fears it will struggle to compete with increasingly low cost renewable energy.	http://tinyurl.com/nakrrhm
Centre for Economics and Business Research	With a stable policy, large-scale solar projects are on track to becoming the cheapest way to generate electricity in the UK. It concludes that bold Government action to back British solar could create 60GW of generation capacity by 2030 – enough for 18 million homes – and support 50,000 jobs across its supply chain.	Reported in Business Green 25 th September 2014 http://tinyurl.com/n8hp3yd
International Energy Agency, Press Release 29 th Sept 2014	Solar Power could become the dominant source of power by 2050.	http://tinyurl.com/k37u5yo
Exeter University, Energy Policy Dept. Governance and Disruptive Energy System Change. Sept 2014	Annex 1 gives a table of 11 investment bank reports	http://tinyurl.com/obdpwyg