

Why the government's National Policy Statement for Energy is out of date: implications for Hinkley C nuclear power station

The Coalition government's *Overarching National Policy Statement for Energy* (NPS)¹, of July 2011, is the main policy justification for new nuclear power stations in the UK. It sets out the then government's arguments for why there is an urgent need for large quantities of new large-scale electricity generation in the UK, including new nuclear.

However this NPS is now out of date and inaccurate. The new Secretary of State for Energy Greg Clark should revise this document to reflect changed circumstances, and update energy policy as a result.

The NPS stated that there were three main alternatives to new large-scale electricity generation infrastructure:

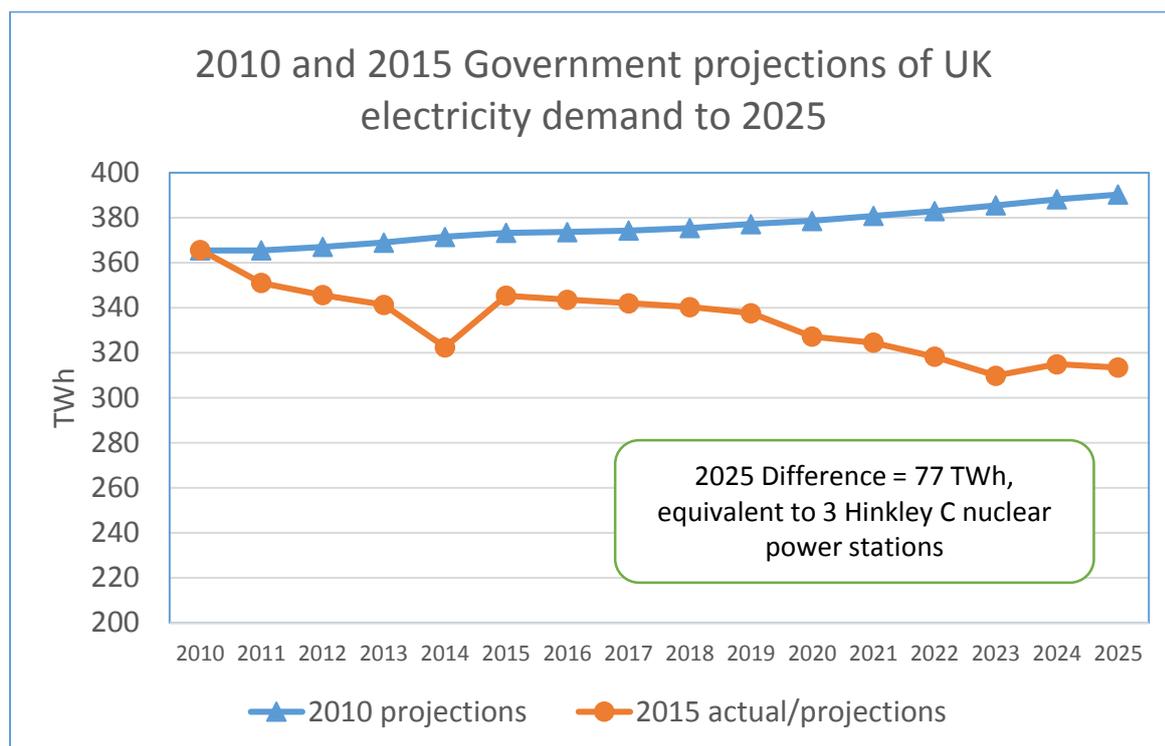
- Reducing demand
- More intelligent use of electricity
- Interconnection of electricity systems

But it concluded that: "*The Government believes that although all of the above measures should and will be actively pursued, their effect on the need for new large scale energy infrastructure will be limited*".

This analysis was a gross underestimate of what has been achieved:

- DECC predicted in 2010² that electricity demand would grow 2 per cent by 2016. In fact it has fallen by 6 per cent, to 341 TWh. In 2010 DECC predicted demand would rise to 390 TWh by 2025. But in 2015, DECC predicted that electricity demand will keep on falling substantially, to 313 TWh³. The 77 TWh difference is equivalent to 3 Hinkley C power stations (see graph overleaf).
- In March 2016, the National Infrastructure Commission's *Smart Power* report⁴ found that "*Interconnection, Storage, and Demand Flexibility – could save consumers up to £8 billion a year by 2030*".
- In 2010 electricity interconnection with other countries was projected to be 3 GW by 2025. In 2015 DECC increased this projection to 9 GW by 2025, while the National Infrastructure Commission says it will be 11.3 GW by the early 2020s.

Government projections of future UK electricity demand



In total, the original NPS assumption that these options would have limited effect is wrong. Their combined effect is equivalent to multiple Hinkley power stations. The NPS should not be the continuing basis for energy policy as it stands.

In the last 5 years there has been a global energy revolution – with the costs of renewable energy plummeting, and enormous advances in the fields of energy storage and smart grids. These trends will continue. The NPS need to be revised so that the UK does not lock itself into new long-term, polluting, large scale nuclear and fossil fuel infrastructure.

References:

- ¹ DECC, 2011. [Overarching National Policy Statement for Energy \(EN-1\)](#).
- ² DECC, 2010. [Updated Energy Projections](#).
- ³ DECC, 2015. [Updated Energy Projections](#).
- ⁴ National Infrastructure Commission, 2016. [Smart Power](#).