

Energy Intensive Users Group

British Ceramic Confederation
Chemical Industries Association
Mineral Products Association
Major Energy Users Council
UK Steel

British Glass Manufacturers Confederation
EnergyQuote JHA
Confederation of Paper Industries
Rio Tinto Alcan
BOC; Air Products

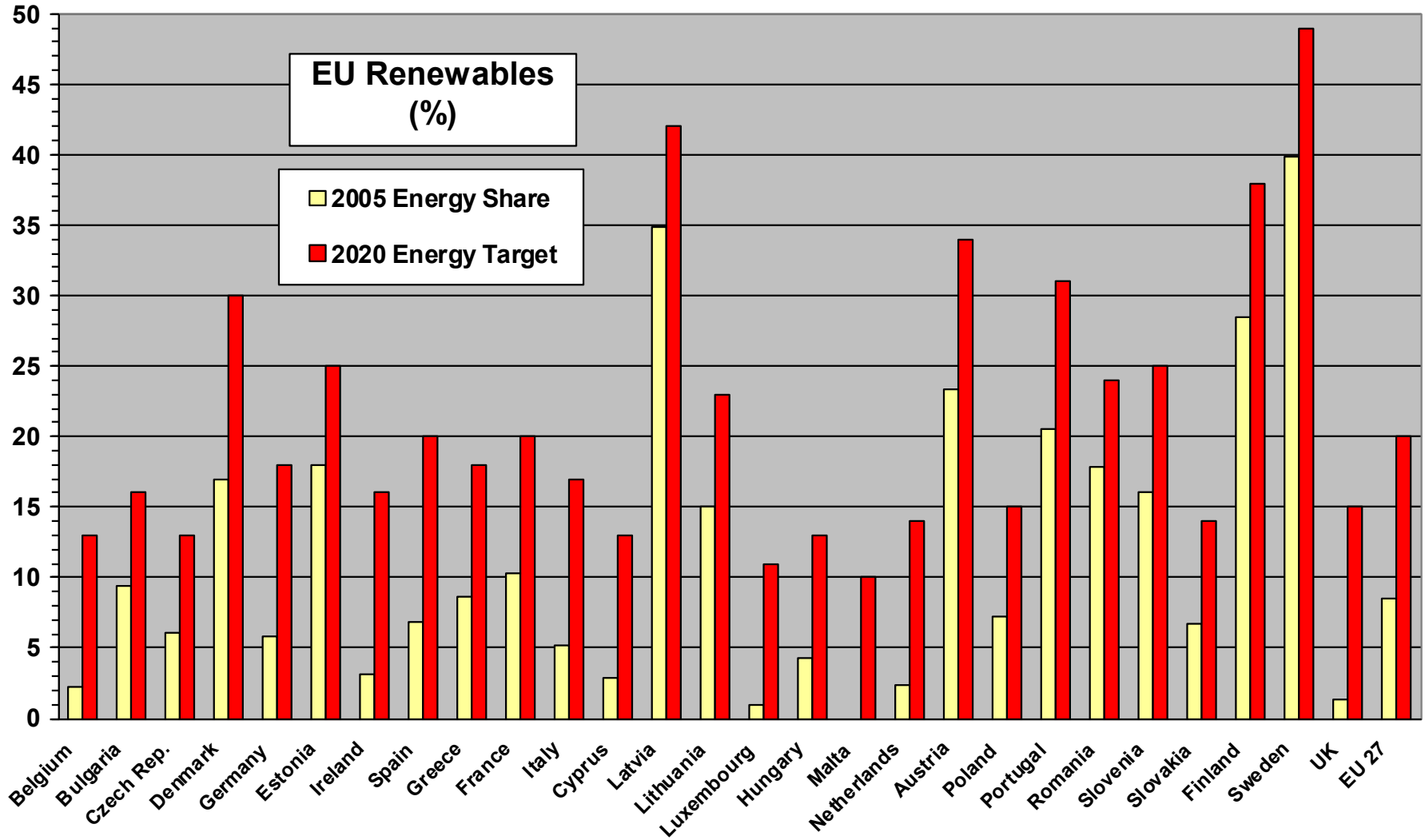
Jeremy Nicholson

Director – Energy Intensive Users Group

www.eiug.org.uk

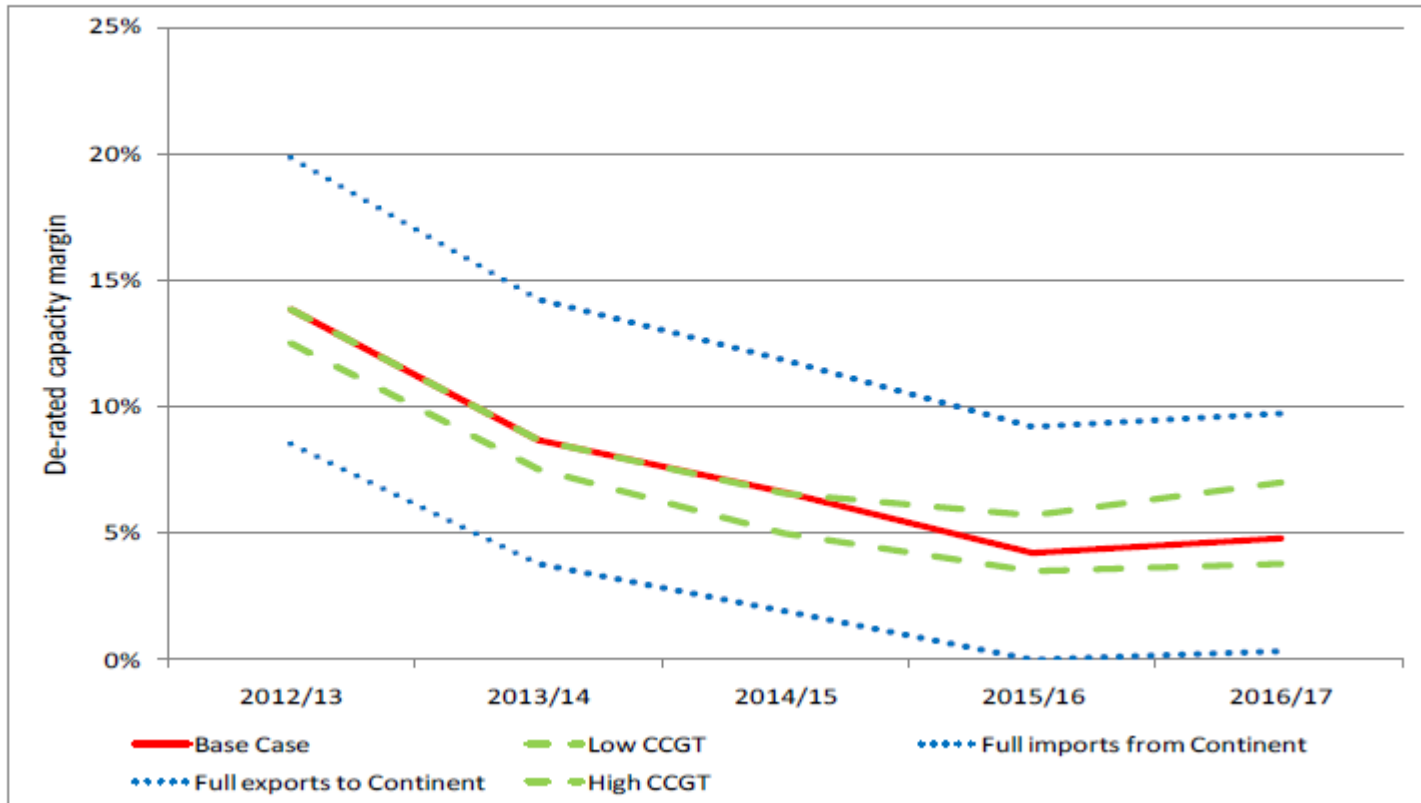


www.ificEurope.org



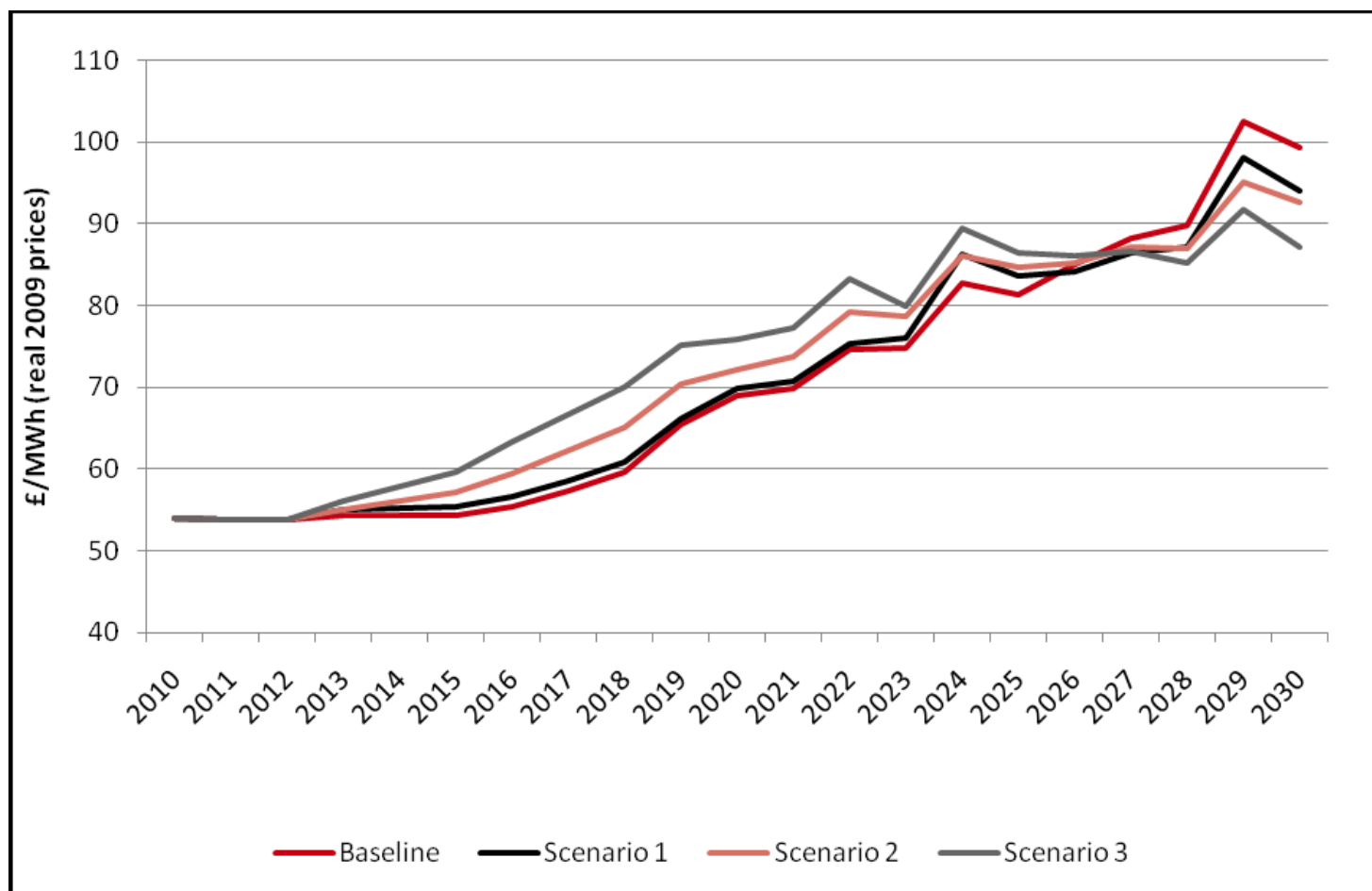
UK electricity – 2015 supply crunch:

1. Capacity margin forecasts



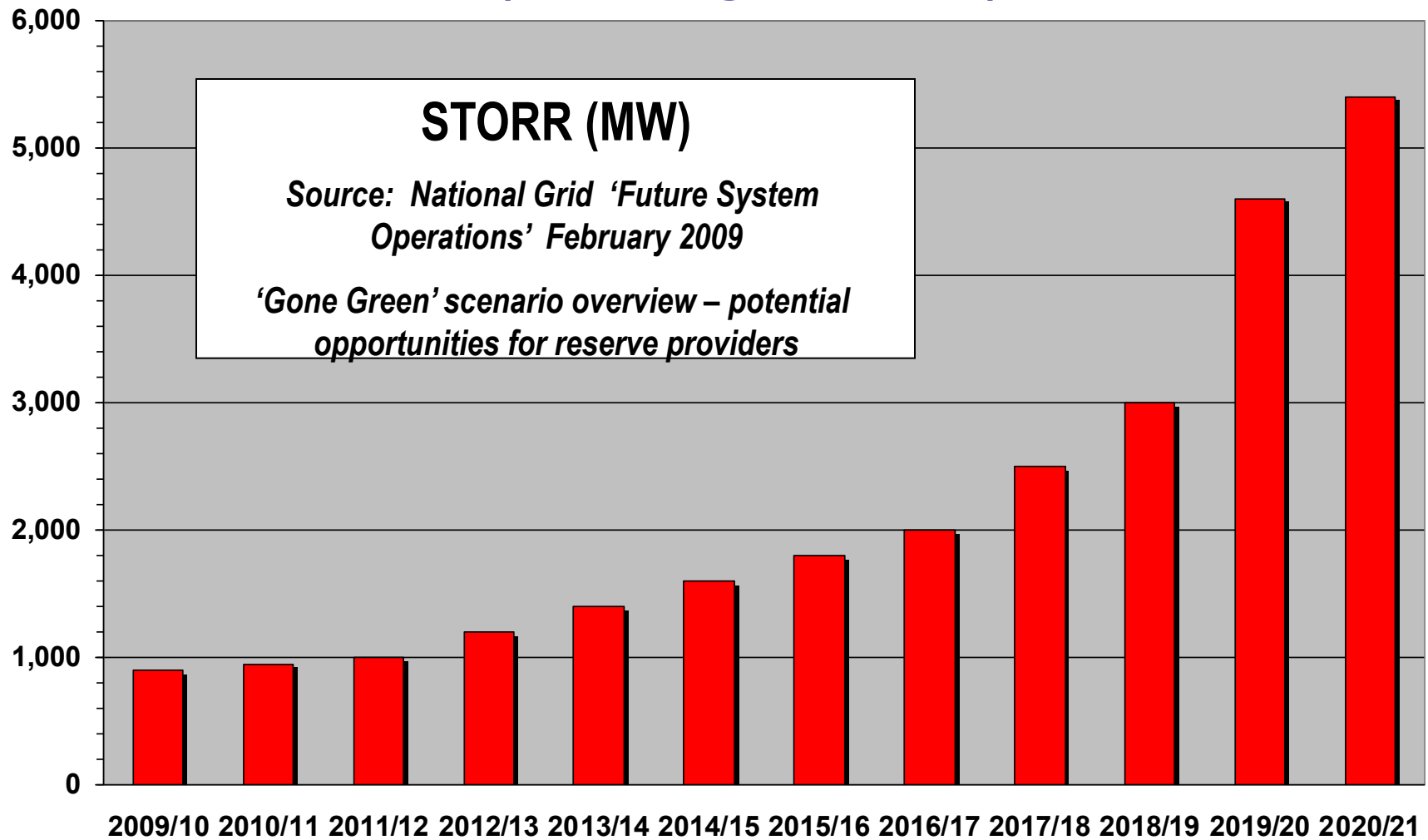
Source: Ofgem, Electricity Capacity Assessment, 5 October 2012

Chart 3: Time weighted baseload electricity prices (£/MWh, real 2009 prices)

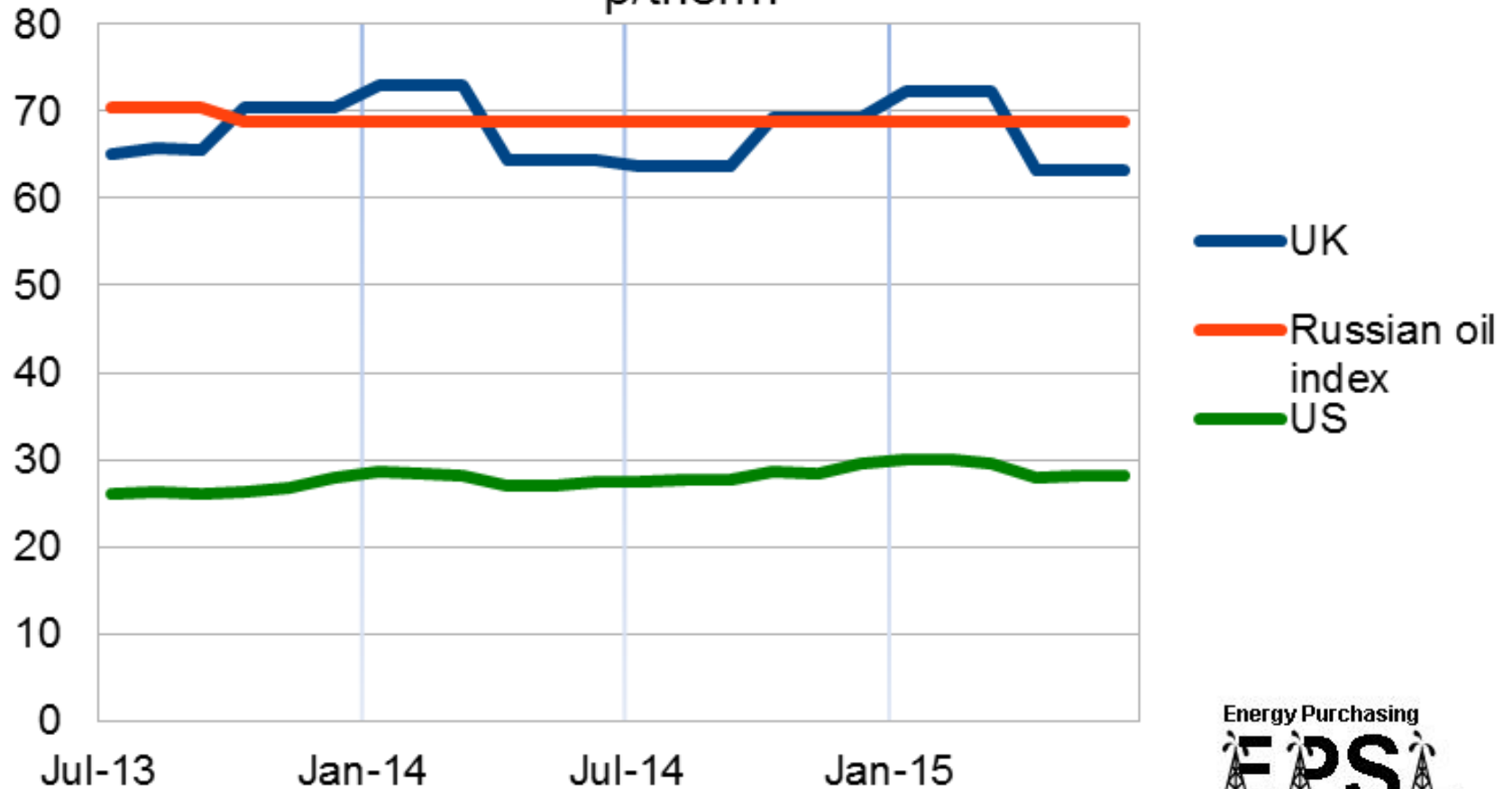


Source: Redpoint Energy, 2010 (from HMT consultation on Carbon Price Floor)

Managing wind intermittency – implications for reserve (backup generation)



Gas Forward Prices: UK, US, Russia (oil index) p/therm

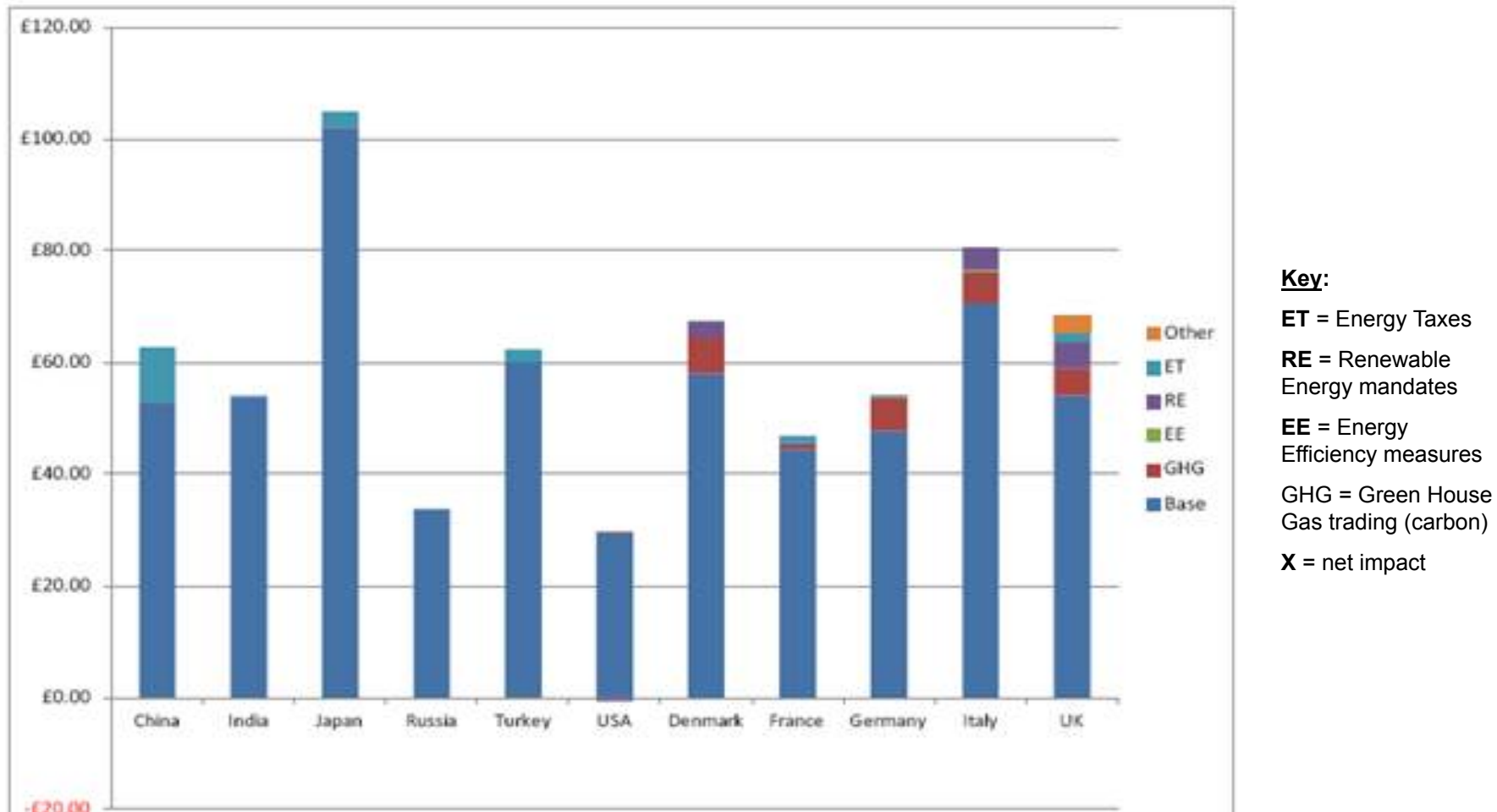


Energy Purchasing
EPS
Specialists (UK) Limited

Current electricity prices for energy intensive industries

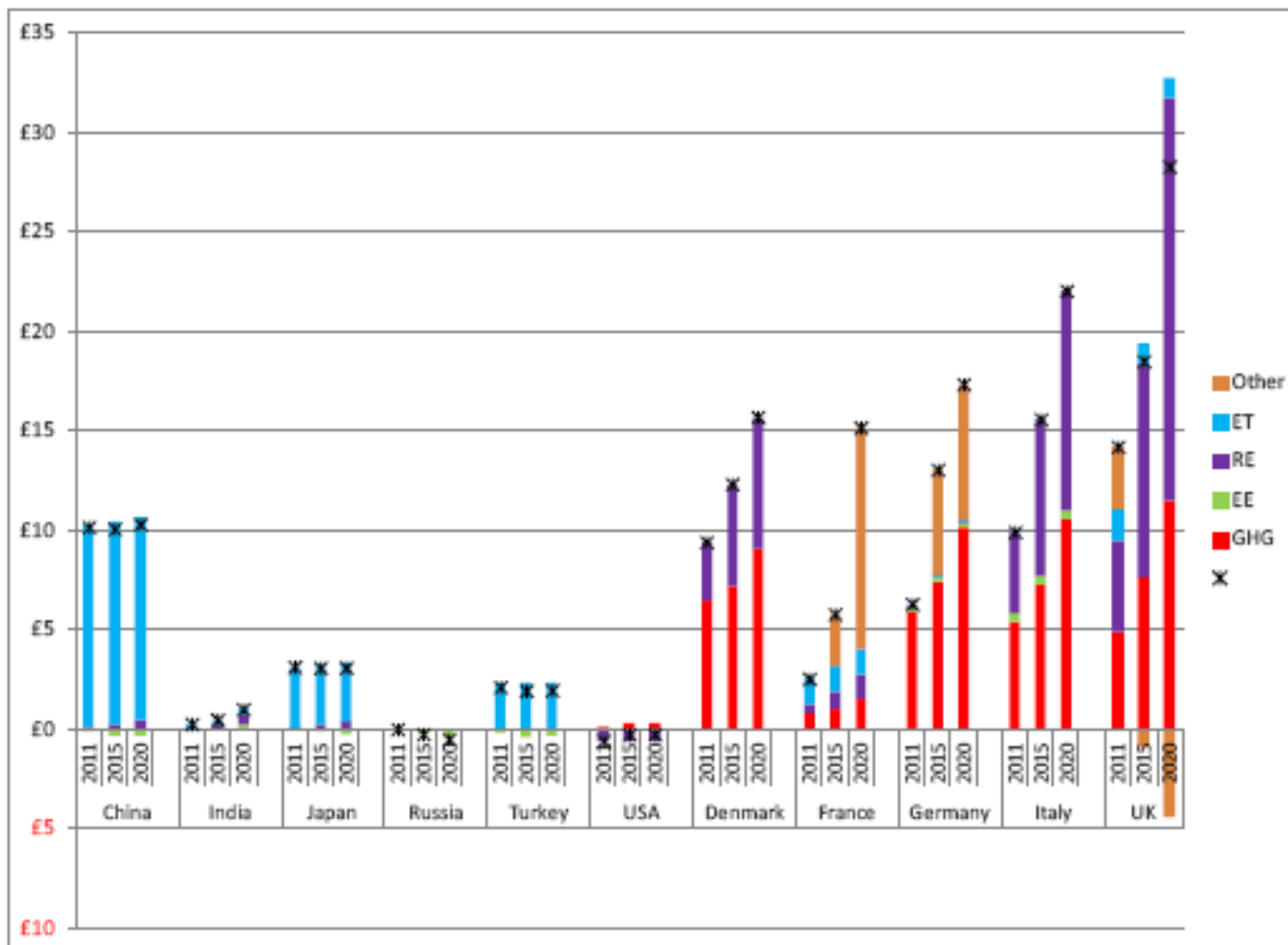
BIS, Electricity & climate policies impacting energy intensive industries, July 2012

<http://www.bis.gov.uk/assets/biscore/business-sectors/docs/i/12-527-international-policies-impacting-energy-intensive-industries.pdf>



Impact of climate policies on industrial electricity prices

Figure 1-2a: Indicative incremental impacts in 2011, 2015 and 2020 on electricity price (£/MWh, 2010 prices) of energy and climate change policies¹³



Key:

ET = Energy Taxes

RE = Renewable Energy mandates

EE = Energy Efficiency measures

GHG = Green House Gas trading (carbon)

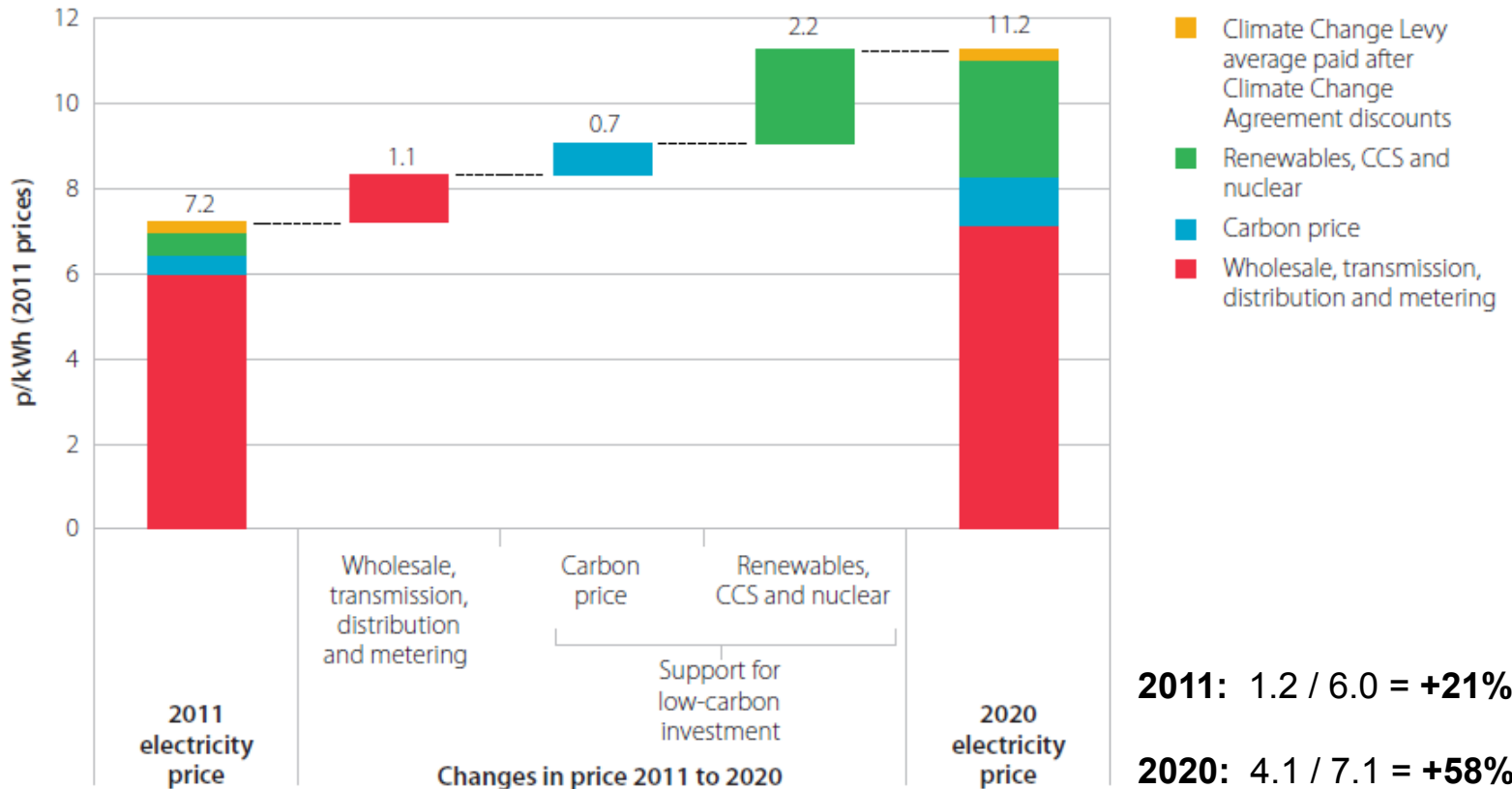
X = net impact

'Energy prices and bills – impacts of meeting carbon budgets'

Committee for Climate Change, 13th December 2012

http://hmccc.s3.amazonaws.com/ENERGYbill12/Energy_Bills_Exhibits_Final.xlsx

Figure 4.4: Outlook for industrial price for electricity supplied from the grid (2011 and projected in 2020)



Source: CCC calculations.

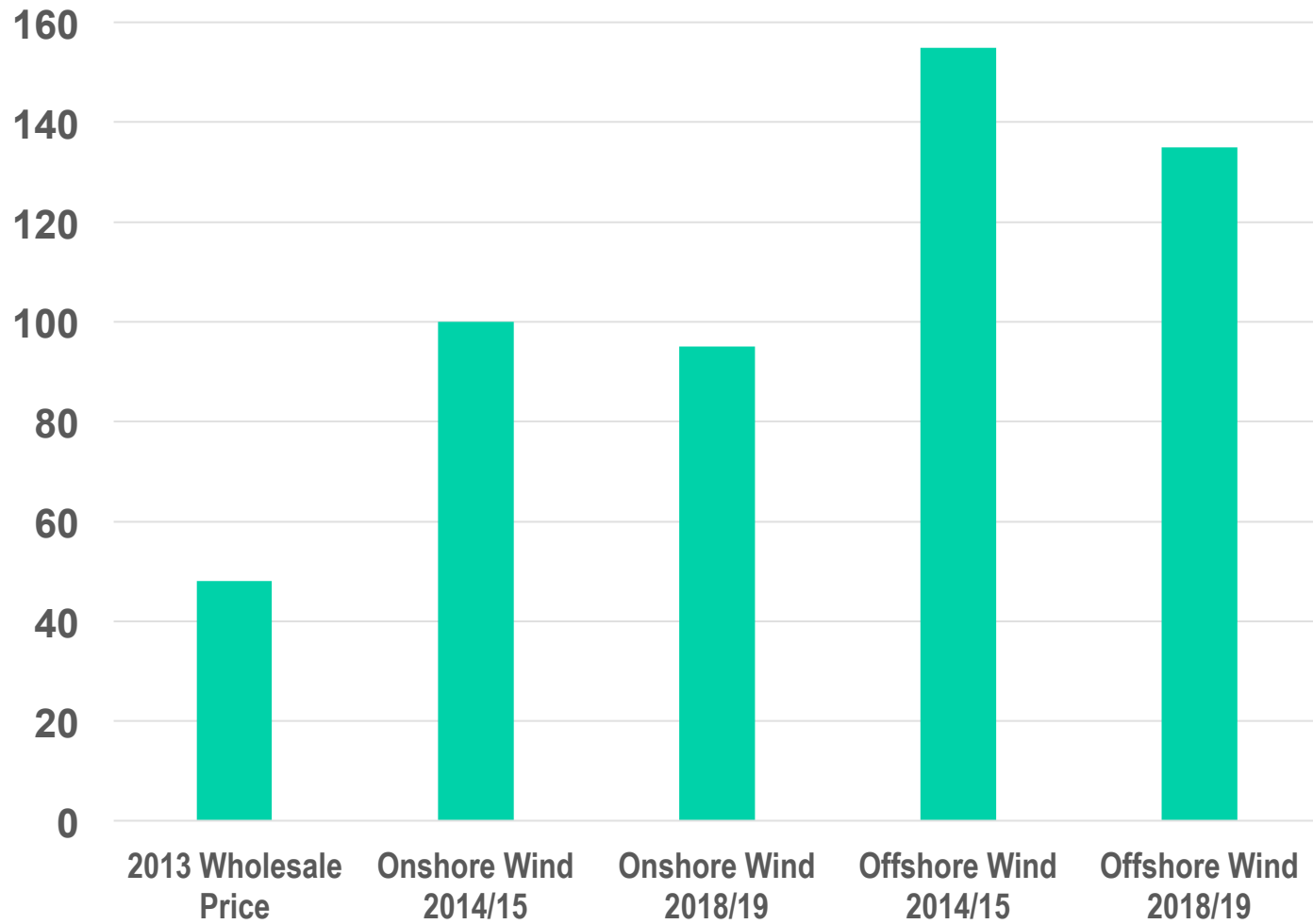
Notes: Numbers may not sum due to rounding.

DECC Levy Control Framework & Draft CFD Strike Prices, 27 June 2013

<u>Technology</u>	<u>2014/15</u>	<u>2018/19</u>	<u>2020 deployment</u>
	£/MWh	£/MWh	GW
Biomass conversion	105	105	1.2-4
Offshore wind	155	135	8-16
Onshore wind	100	95	9-12

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209361/Levy_Control_Framework_and_Draft_CfD_Strike_Prices.pdf

Draft Strike Prices v Wholesale Electricity Price (£/MWh)



DECC Levy Control Framework

Impact of Climate Policies on Energy Bills (£m pa)

