

ENERGY IN CRISIS?

THE ELECTRICITY INDUSTRY FACES SIGNIFICANT CHALLENGES OVER THE NEXT FEW YEARS.

Large increases in coal and gas prices over the past year have driven up energy costs. The introduction of the EU emissions trading scheme from January 2005 will put a price on carbon dioxide emissions, which will shape the energy mix going forward. Allocation to the generators under the UK National Allocation Plan in the 1st phase from 2005-7 remains to be finalised, while Government has yet to give any indications of its intentions in the 2nd phase from 2008-12. The Large Combustion Plant Directive will greatly increase the environmental pressures on coal plant from 2008, but Government is now over a year late in deciding how this should be implemented. Closure of ageing nuclear plant will also contribute to tightening plant capacity margins towards the end of the decade.

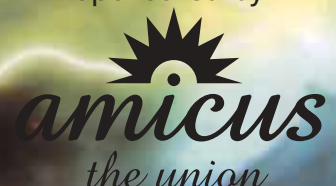
It is clear that significant investment is required within the electricity sector to respond to these challenges. Government energy policy needs to find the right balance between responding to increasing environmental pressures, maintaining security of supply and ensuring energy prices are affordable for both industry and the public. However, the absence of a coherent stable energy policy framework is likely to delay the investment that is needed. Is there a crisis looming in the energy industry by the end of the decade?

This conference will review the current state of the UK energy industry, consider the challenges it faces within the next few years and explore some of the potential solutions.

1 March 2005 10am – 4pm

1 Great George Street, Westminster, London SW1P 3AA

Sponsored by


amicus
the union

CONFERENCE SPEAKERS



Andrew Duff, CEO, RWEpower



Andrew Duff, Chief Executive of RWEpower, spent much of his early career with British Petroleum, working in the US and Far East as well as the UK. In 2000, he joined the Innogy Board, taking responsibility for its transformation from

generator to a vertically integrated energy company. He held several Board positions before becoming Chief Executive in September 2003.

Derek Simpson, General Secretary, Amicus



Derek Simpson was elected General Secretary of Amicus in July 2002. Mr Derek left school in Sheffield at the age of 15 and took up an apprenticeship in a local engineering firm. He quickly became involved in union work, attending the

engineering union's youth conference. He became a shop steward, then a convenor before being elected the union's Sheffield district secretary in 1981. He has an Open University degree in computing and mathematics.

Ian Marchant – Chief Executive – Scottish and Southern Energy plc (SSE)



Ian was appointed SSE's Chief Executive in October 2002 having been Finance Director since 1998. He started at Southern Electric in 1992 and joined the Board as Finance Director in 1996. Previously he worked for Coopers & Lybrand

(now PwC), including a two-year secondment to the Department of Energy working on electricity privatisation. Ian is Deputy Chairman of the United Kingdom Business Council for Sustainable Energy, and a member of the Forum for Renewable Energy Development in Scotland and Ofgem's Environmental Advisory Group

Ian Russell, CEO, Scottish Power



Ian Russell (51) is Chief Executive, having been appointed to this position in April 2001. He joined ScottishPower as Finance Director in April 1994, and became Deputy Chief Executive in November 1998.

He is a member of the Institute of Chartered Accountants of Scotland, having trained with Thomson McLintock, and has held senior finance positions with HSBC. He serves on the Council of Edinburgh International Festival and the Scottish Council of the Prince's Trust, and is leading a UK Government Commission to develop a new national framework for youth action and engagement.

Mike O'Brien MP Minister of State for Energy



Mike O'Brien MP was appointed Minister of State for Energy and E-Commerce on 9 September 2004. He was previously appointed Minister of State for Trade and Investment at the DTI on 13 June 2003. From June 2002

Mike O'Brien MP was Parliamentary Under-Secretary for Foreign and Commonwealth Affairs with responsibility for the Middle East. He is a former Parliamentary Under-Secretary of State at the Home Office and the Member of Parliament for North Warwickshire.

CONFERENCE SPEAKERS



**Nick Winsor, Group Director,
UK and US Transmission
Chief Executive, National Grid Company**



Nick currently has responsibility for the UK and US Transmission Operations and as Chief Executive of National Grid Company, the UK electricity transmission business. He joined the company in 1990 and was previously Chief Operating Officer US Transmission and before this he was Director IS and Market Services Operations Manager. Before working for National Grid Company he was principal negotiator at Powergen and prior to this he was at Central Electricity Generating board. He has a BSc in Electrical Engineering and is a Fellow of the Institution of Electrical Engineers

**Robert Symons, CEO, Western Power
Distribution Holdings**



Robert (51) was Operations Director for South Western Electricity plc prior to his appointment as Chief Executive in March 2000. He has extensive operational experience in the distribution sector in the UK. In his role as Operations Director he had responsibility for a workforce of 1,500 constructing, operating and maintaining the electricity distribution system in the South West as well as the provision of all metering and data collection services. As Chief Executive he headed the acquisition team to purchase Hyder, the largest plc in Wales. The electricity business in Wales is now fully integrated with that of the South West. Robert is a Chartered Engineer and a Fellow of the Institution of Electrical Engineers

**Steve Smith, Managing Director of Markets and
Member of the Authority**



Steve Smith leads the team at Ofgem who monitor and oversee all aspects of the competitive wholesale and retail gas and electricity markets. Steve has held two previous posts at Ofgem. He originally joined Ofgem as Director of Trading Arrangements in 1999 shortly before the merger of Offer and Ofgas. His responsibilities included: market surveillance, reform of the wholesale energy markets through the NETA and NGTA projects and developing the incentive-based regulation of Transco's and NGC's System Operator roles. From 2003 onwards Steve was Director of Strategy at Ofgem.

Vincent de Rivaz, CEO, EDF Energy



In February 2002 Vincent de Rivaz was appointed Chief Executive of London Electricity Group (LE Group). Since that time he has been responsible for the integration of London Electricity and Seeboard group of companies, which includes 24 Seven and the distribution network serving the East of England, creating EDF Energy – one of the UK's leading energy companies. Vincent de Rivaz joined the EDF Finance Department in 1999 as Deputy Chief Financial Officer and in 2000 Vincent de Rivaz became Head of Strategy and Finance with group-wide responsibility for the financial strategy and operations for EDF Group. A Hydroelectric Engineer, he joined EDF in 1977 in the External Engineering Centre which managed the construction of energy sites for international clients, being part of several initiatives in Africa, Guyana and New Caledonia.

PROGRAMME



10:00-10:30

Registration and coffee

10:30-10:40

Opening of Conference, introduction and welcome

Professor John Bridgeman CBE TD DL
Former Director General of the Office of Fair
Trading and Visiting Professor in Management
at The University of Surrey and Keele University
Staffordshire

10:40-11:00

Energy in Crisis - Amicus' view

Derek Simpson, General Secretary, Amicus

11:00-11:30

**Creating a sustainable energy policy framework
to deliver investment in the UK electricity sector**

Andrew Duff, CEO, RWEpower

11:30-12:00

**An international player's perspective on the
UK energy market**

Ian Russell, CEO, Scottish Power

12:00-12:30

**System and network issues in the UK
energy market**

Nick Winser, Group Director, National Grid Transco

12:30-13:30

Lunch

13:30-14:00

**What are the consequences of demand exceeding
supply?**

Robert Symons, CEO Western Power
Distribution Holdings

14:00-14:30

Keynote Presentation

Mike O'Brien MP, Minister for Energy
and E-Commerce

14:30-14:55

Sustainable solutions in the UK energy market

Ian Marchant, CEO, Scottish and Southern Energy

14:55-15:15

Coffee

15:15-15:40

The Regulator's role and perspective

Steve Smith, Ofgem

15:40-16:05

The future of coal in the UK energy mix

Vincent De Rivaz, CEO, EDF Energy

16.05- 16.20

Chairman's summary and close



ABSTRACTS



Andrew Duff, CEO, RWEpower

'Creating a sustainable Energy Policy Framework to Deliver Investment in the UK Electricity Sector.'

How can industry and Government work together to deliver the substantial investment necessary for a low carbon future?

- What policy signals are needed to give the electricity sector confidence?
- What is the ideal balance between necessary regulation, and the effective operation of free markets?
- Are sustainable development and security of supply compatible?

Ian Marchant, CEO, Scottish and Southern Energy Plc **Sustainable Solutions in the UK Energy Market**

Key goals of the UK's energy policy are to: put the country on a path to cut its CO2 emissions by 60% by 2050 and to ensure that every home is adequately and affordably heated so that no-one is living in fuel poverty. Ian Marchant will analyse the prospects for achieving these targets, discuss the links between the two goals and examine the common themes and approaches for delivering real progress in the rest of this decade.

Ian Russell, CEO, Scottish Power

An International Player's Perspective on the UK Energy Market

As an international energy company, ScottishPower has the market position and the operational skills needed to generate attractive returns in the competitive and volatile UK energy market. While ScottishPower is committed to long term investment in the UK, stable UK energy policy and regulation will help to ensure that the UK remains as attractive as the company's other investment options.

Robert Symons, CEO, Western Power Distribution Holdings

What are the consequences of Demand exceeding Supply

The distribution companies together with the Grid have contingency plans to deal with a shortfall in generation starting off with voltage reduction and at the other end of the scale black start and load shedding on a rota basis. The memories of load shedding during the miners strike of 1972 are a distant memory, the purpose of this talk is to bring home the practical consequences of demand exceeding supply.

Nick Winser, Group Director, National Grid Transco

We are facing a major period of challenge for Gas and Electricity transmission networks in Great Britain. The sources of gas and electricity are changing with the decline in UKCS and the government's emphasis on combating climate change. The electricity transmission network and parts of the gas network are also approaching the end of their lives. These changes also provide new challenges in terms of the intermittency of renewables, in particular wind power.

Vincent De Rivaz, CEO, EDF Energy

'The future of coal in the UK Energy Mix'

Increasing environmental constraints and costs of carbon emissions are changing the nature of coal-fired generation and restricting its future contribution to the nation's supply requirements. With anticipated increases in intermittent renewable and gas-fired generation and dependency on imported gas, the future for clean coal is to be a flexible and secure part of the national energy mix.

1 March 2005 10am – 4pm

1 Great George Street, Westminster, London SW1P 3AA

Sponsored by


amicus
the union