

The Rt Hon Edward Davey MP
Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

7th August 2013

Dear Secretary of State

GB Electricity Capacity Margin

As Co-Chairs of the Council for Science and Technology (CST), we are writing to introduce a report that CST commissioned from the Royal Academy of Engineering on the GB Electricity Capacity Margin.

This work was discussed with the Prime Minister at CST's meeting with him in March, and it tackles a key question relating to the security of energy supply, and has benefited from advice and support from DECC officials. CST had the opportunity to discuss the issues with Stephen Lovegrove at its last meeting.

In the short term, the Academy's work concludes that, without appropriate intervention, the capacity margin could be narrowed to the extent that system security may be threatened by the winter of 2015/2016. In the medium term, the report concludes that, without appropriate intervention, new electricity generation infrastructure is unlikely to be constructed to replace ageing plant removed from the grid. In line with recent announcements, the report suggests that (i) the capacity market elements of the Energy Bill will be essential in the medium term and (ii) some form of interim mechanism to mitigate against the short term risks to system security is needed.

CST has a broad remit as an advisory body working to the Prime Minister on strategic issues in science and technology. Energy is clearly an issue of key strategic importance to the UK's infrastructure and economy, and we hope to continue to work closely with the Department on related issues.

We would be very happy to meet with you to discuss the report and its recommendations.

We are copying this letter to the Prime Minister and Deputy Prime Minister, Vince Cable, Oliver Letwin, David Willetts, Michael Fallon, Lord Deighton, Stephen Lovegrove, Martin Donnelly, and Sir Jeremy Heywood.

A handwritten signature in black ink on a light blue background. The text "Yours sincerely" is written in a cursive style above a long horizontal line that starts with the letter "M".

Sir Mark Walport
Co-Chair

A handwritten signature in black ink on a light blue background. The name "Nancy Rothwell" is written in a cursive style.

Professor Dame Nancy Rothwell
Co-Chair