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The Energy White Paper

Meeting the Energy Challenge

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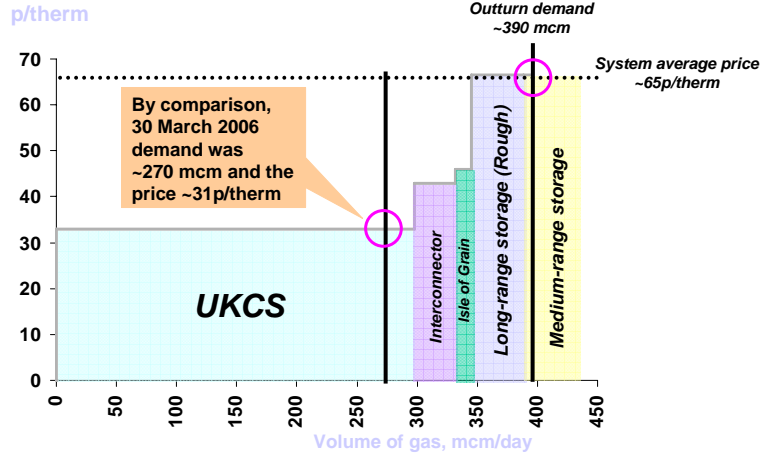
2007 Energy White Paper
Meeting the Energy Challenge

Our key long term challenges

- Reliable energy
- Sustainable energy

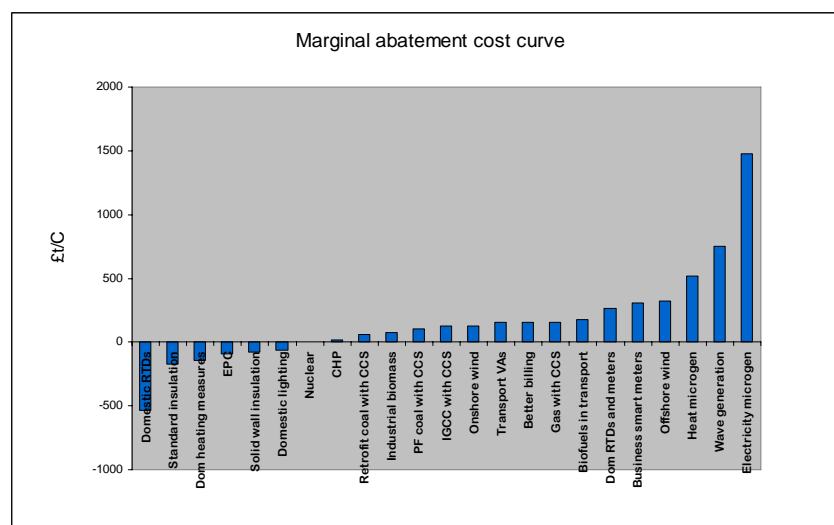
Security of supply – and competitive prices

Estimated supply curve* for UK gas on 30 January 2006



* Prices based on estimated opportunity costs of gas from specific sources; volumes based on actual volumes on the day
Source: NG;Heren;DTI analysis

Sustainable Energy – The Costs of Abatement



The Framework

Reliable Energy

- Competitive energy markets
- Better Regulation
- Effective emergency plans

Sustainable Energy

- Effective carbon market or price
- Support for energy efficiency & low carbon technologies
- Reducing fuel poverty

Making the Framework Reality – Reliable Energy

Competitive Markets

- EU liberalisation
- Wider markets
- Transparency and Energy Markets Outlook

Better Regulation

- UKCS Regime
- Reform of Planning
- Updated Emergency Plans

Making the Framework reality – Sustainable Energy

Effective Price for Carbon

- Post Kyoto Targets
- EU Target
- UK Targets
- EU Emissions Trading

Support for Low Carbon Technologies

- Energy Technologies Institute
- Environmental Transformation Fund
- CCS Demonstration
- Distributed Energy & Heat
- Reform of RO & Launch of RTFO
- Nuclear Policy

Support for Energy Efficiency

Incentives

- Investment in domestic efficiency by energy suppliers
- Emission trading scheme for the Commercial & Public Sector

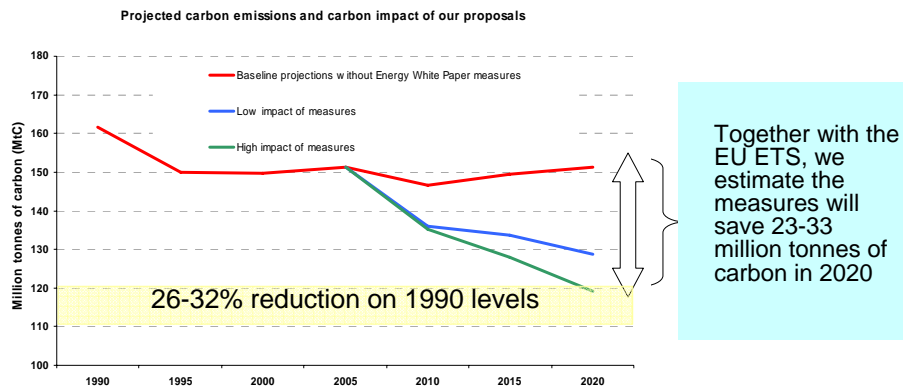
Regulation

- Vehicle Fuel Efficiency, Appliance Standards and Building Regulations

Information & Advice

- Billing, Metering & Energy Performance Certificates

Impact of our measures – climate change



Impact of our measures – security of supply

- Slowing decline of UKCS, more efficient use, more diverse supply
- Electricity and gas consumption up to 15% lower by 2020
- Gas import dependency potentially reduced to 60% by 2020

Next Steps

- Consultations
- Implementation
- UK Legislation – Climate Change, Energy, Planning
- EU legislation – Liberalisation, Emissions Trading, Renewable Energy
- International Framework – G8 Summit, Gleneagles, Bali