+357 96 030922
info@marketpublishers.com

# United Kingdom Power Report Q3 2016

https://marketpublishers.com/r/U365AD19487EN.html
Date: June 2016
Pages: 86
Price: US$ 1,295.00 (Single User License)
ID: U365AD19487EN

## Abstracts

**Includes 3 FREE quarterly updates**

BMI View: The collapse of UK coal-fired power generation in May 2016 aligns with our forecast that coal will cease to be part of the UK generation mix by 2025. We reiterate that government plans to phase out coal by 2025 will require investment in new gas-fired capacity, but the outlook for coal is bleak based on tough market conditions for coal plant operators, the UK's carbon price floor and improved margins at UK gas plants.

Latest Updates & Structural Trends

We have incorporated the UK government's plans to close all of the country's coal-fired power capacity by 2025 into our 10-year forecasts - in line with a policy outlined by Energy Secretary Amber Rudd in 2015. Our decision is supported by reports coal power output in the UK was at zero for about one-third of the time between May 9 2016 and Sunday May 15 2016. This was reportedly due to outages at ageing coal plants and strong renewables-based generation.

There are a number of factors underpinning this 'zero coal' time period, as well as our view that coal will be gradually squeezed out of the UK power generation mix by 2025. Our core view is that Rudd's announcement simply aligns with a trend already in play. Coal plants are already closing due to tightening EU emissions directives, the UK's carbon price floor, low wholesale electricity prices and more competitive gas prices.

The biggest risk to this view is the UK fails to mobilise investment into capacity to replace ageing coalfired facilities. We believe the government is likely to support investment in gas-fired power generation as it grapples with narrowing

+357 96 030922
info@marketpublishers.com

capacity margins - possibly through reform of the UK's capacity remuneration mechanism.

Notably, in May 2016, National Grid was forced to issue an emergency request for more power after several coal- and gas-fired power stations suffered operational problems and the network operator was forced to close part of an interconnector with France. While we believe concerns about electricity shortages are overdone, emergency measures show that the UK security of supply will remain fragile without investment.

+357 96 030922
info@marketpublishers.com

# Contents

+357 96 030922
info@marketpublishers.com

## I would like to order

Product name: United Kingdom Power Report Q3 2016

Product link: https://marketpublishers.com/r/U365AD19487EN.html

Price: US$ 1,295.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

## Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/U365AD19487EN.html