

PRESS RELEASE

SCDI RESPONSE TO OFGEM ENERGY REPORT

9 October 2009

Commenting on the review of the UK's energy supplies published today by Ofgem, Scottish Council for Development and Industry (SCDI) Head of Policy Gareth Williams said:

"This report lays bare a legacy of underinvestment in the UK's energy infrastructure and the challenges of climate change. The UK and Scottish Governments, regulators and industry must work together on a balanced energy policy in which Scotland should have a leading role.

"The North Sea fiscal regime should maximise recovery of oil and gas, reducing dependence on imports. The UK's first big Carbon Capture and Storage project can be delivered in 5 years at Longannet and there should be no delay in UK Government support. Ofgem should introduce a fair transmission charging regime and enable sufficient spending on the grid to promote investment in the Scottish areas with the UK's best renewable energy resources.

"The projected increases in energy bills are extremely concerning for businesses and consumers, but taking action now will mean less expense in the long-term. Higher costs should, moreover, be a spur for energy efficiency and already industries like Scotch whisky are implementing plans to cut their power demand."

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