

**EMBARGO: 12:01
17 JANUARY 2001**

LOCAL POWER GETS A BOOST?

The CHPA has today welcomed the publication of the Government's proposals to enable local power producers to get a fairer deal in the UK energy market.

Commenting, David Green, Director of the Combined Heat and Power Association, stated:

"This report is welcome recognition of some of the longstanding barriers that hold back the wider use of CHP and renewables in the UK.

It is a major opportunity for the Government and OFGEM to make a long term difference to the way the UK energy market operates."

The report calls for:

- a fundamental change in regulation to provide new opportunities for small generators and network operators alike to encourage the growth of local generation,
- transparent and fair access for smaller generators to the electricity network, and
- rewarding the competitive benefits that local generation brings to consumers and the environment.

"The timing of this report is crucial: the Government has acknowledged that the new electricity trading arrangements will weaken the economic benefits of both renewables and CHP. The Government and the regulator must now act fast on the key recommendations of the Group if they are serious about their commitment to a sustainable energy future,"

concludes David Green.

ENDS

NOTES:

1. The Government has set a target for 10 GWe of installed CHP capacity by 2010. In 1999 installed CHP capacity was 4.2 GWe, equivalent to 5½ % of the total installed UK generating capacity of 75 GWe.
2. The Association recently published a report produced by Cambridge Econometrics, which suggest that the level of installed CHP capacity will be only 6.6 GWe in 2010.
3. The Government has set a target for 10% of electricity supplied to be generated from renewable sources by 2010. In 1999, 10,237 GWhours of electricity was generated from renewable sources, equivalent to less than 3% of the total generation of 363,896 GWhours.

For further information please contact:

David Green, Director, CHPA on 020 7828 4077.