

*****Combined Heat and Power Association Press Release*****

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For Immediate Release

CHP GENERATING INTEREST AT CRUCIAL TIME

The Association welcomes indications that CHP is back on the Ministerial agenda before the release of the Energy White Paper.

Responding to a recent statement made by Ian Pearson, Minister of State for Climate Change and the Environment, Philip Piddington, Director of the CHPA, made the following comments:

“Government must provide bankable policy measures to encourage renewed investment in clean, highly efficient energy technologies”

Mr Pearson MP has recently stated that government is set to announce new measures that could stimulate the take up of CHP plant. Mr Pearson, 'a supporter of CHP', is keen to try and improve the sector's ability to meet the target of 10GW of CHP plant by 2010.

In addition, Alistair Buchanan, Chief Executive of Ofgem, has recently expressed the need for clarity of government policy in regards to CHP, distributed generation and tackling fuel poverty. The Association believes that this further underlines the need for transparent and accessible support mechanisms, enabling the regulator and the investment community to realise the potential for CHP in the UK.

Mr Piddington concluded by adding:

"The Association welcomes these comments, it should be an interesting year for CHP, we look forward to a constructive dialogue in the near future."

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NOTES:

1. Combined Heat and Power (CHP) is the simultaneous generation of electricity and useful heat in a combined, highly efficient process. The Government's target is to double UK CHP capacity to 10,000 MW by 2010.
2. CHP is a form of decentralised energy system i.e. generation technologies, which provide power, heat (and/or cooling) at the point of use. These range from microgeneration technologies operating in individual homes to community based systems such as those operating in Southampton or indeed large industrial CHP schemes powering over 200 industrial schemes in the UK at present.
3. Decentralised Energy Supply: Energy supply from local renewable or low carbon sources usually on a relatively small scale and including electricity generation, which is connected to the distribution networks (distributed energy) rather than directly to national transmissions. Decentralised Energy is a broad term used to denote a wide range of technologies, which can serve an individual building, development or wider community.

4. Distributed Generation includes electricity as well as heating and cooling, and covers distributed energy applications ranging from domestic microgeneration to industrial-scale CHP and medium to large-scale renewable energy projects.

5. The Government's latest statistics show that every 1 MW of CHP operating in the UK helps reduce carbon emissions by between 600 - 800 tonnes every year. Current installed CHP capacity of approximately 5,700 MW, on over 1,500 sites across the UK, is already helping deliver savings of over four million tonnes of carbon annually, one of the largest single carbon reduction measures in the Government's Climate Change Programme.

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