

# **Energy News**





#### Hitting climate targets 'could slash UK's air pollution by half by 2050'

Reducing greenhouse gas emissions by at least 80% could cut nitrogen dioxide levels by up to 60%



#### Health and Safety Executive: 'Oil and gas sector must crack down on dangerous leaks'

It said some oil and gas operators had come "perilously close to disaster"



#### CMA: SSE-npower merger could increase energy prices

The competition watchdog is seeking remedies from the companies to prevent a more in-depth investigation on their proposed tie-up



#### Energy giants and investors urge close EU-UK ties after Brexit

Brexit Secretary David Davis MP is being urged to develop a "comprehensive Climate and Energy Chapter" covering both trade and non-trade issues



#### UK consults on interoperability of first generation smart meters

Currently, consumers may lose the smart services provided by the technology when they switch to a different supplier

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### Hitting climate targets 'could slash UK's air pollution by half by 2050'

Major air pollutants across the UK's cities could be halved by 2050 if international climate change targets are met.

That's according to the Lancet Planetary Health journal, which suggests meeting the nation's Climate Change Act commitments of reducing greenhouse gas emissions by at least 80% from 1990 levels by 2050 could cut nitrogen dioxide levels by up to 60%.

It says this would improve public health and extend life expectancy – currently, around 29,000 premature deaths in the UK are associated with exposure to small particulate air pollution each year.

The report suggests in London, nitrogen dioxide concentrations could fall by more than 50% by 2050. It also says Cardiff and Newcastle could benefit from a

42% reduction in small particulate air pollution, with Liverpool, Leeds and Manchester potentially seeing a 57% reduction in nitrogen dioxide.

Professor Martin Williams of the Environmental Research Group at King's College London, which contributed to the research, said: "Our research demonstrates that climate change mitigation policies have the potential to make dramatic improvements in public health through their parallel improvements in air quality.

"It is imperative that climate change and air pollution policies are considered together to fully realise the health benefits of both."





"The industry is committed to ensuring lessons are learned and good practice is shared, and look forward to using the results of this initiative to progress this important work."

## Health and Safety Executive: 'Oil and gas sector must crack down on dangerous leaks'

The Health and Safety Executive (HSE) has written to the offshore oil and gas industry expressing concerns about the number and severity of dangerous fuel leaks.

It said some oil and gas operators had come "perilously close to disaster" as a result of unplanned hydrocarbon releases (HCRs) and added more needed to be done to tackle this problem.

The HSE suggested a "lack of leadership" was often to blame for leaks and called for firms to review their processes before July.

The letter was delivered ahead of the 30th anniversary of the Piper Alpha disaster, which saw a platform explode in July 1988, killing 167 workers.

Chris Flint, the HSE's director of Energy Division, said: "Every HCR is a safety threat, as it represents a failure in an operator's management of its risks.

"I recognise the steps the industry has taken to reduce the overall number of HCRs, however HCRs remain a concern, particularly major HCRs because of their greater potential to lead to fires, explosions and multiple losses of life.

"If you get the safety culture right, staff will be much more likely to spot hazards, challenge when standards aren't right, and be engaged in improvement."

Oil and Gas UK CEO, Deirdre Michie, said the industry has delivered a substantial downward trend in the total number of HCRs since 2005 but that there is no room for complacency.

She added: "We understand why the HSE wants to highlight areas where industry can further improve and we continue to work closely with them to reduce hydrocarbon releases.

"The industry is committed to ensuring lessons are learned and good practice is shared, and look forward to using the results of this initiative to progress this important work."





"We have found that the proposed merger between SSE Retail and npower could reduce this competition and so lead to higher prices for some customers. We therefore believe that this merger warrants further in-depth scrutiny."

### CMA: SSE-npower merger could increase energy prices

Some energy consumers could see higher bills as a result of the SSE and npower merger.

That's according to the initial findings from the Competition and Markets Authority (CMA), which has been assessing whether SSE Retail and npower's proposal to create a new energy company for domestic customers could reduce competition.

It found the rivalry between Big Six firms is an important factor in how they set tariffs and the removal of such competition could lead to higher prices for some customers.

The CMA said it would refer the merger for an in-depth investigation unless the firms offer remedies to address its concerns by 3rd May.

Rachel Merelie, Senior Director at the CMA said: "We know that competition in the energy market does not work as well as it might. However, competition between energy companies gives them a reason to keep prices down.

"We have found that the proposed merger between SSE Retail and npower could reduce this competition and so lead to higher prices for some customers. We therefore believe that this merger warrants further in-depth scrutiny."

SSE believes the proposed merger will deliver benefits for the energy market and consumers.

Martin Herrmann, COO Retail at innogy SE added: "We are convinced that with the merger of npower and the UK retail business and energy services activities of SSE, we are creating an independent customer-focused British energy company that can offer our customers a more efficient and even better service and bring benefits to the wider market as well."





A letter calling on the UK and EU to also work closely towards meeting the Paris climate goals has been signed by companies including Energy UK, Drax, EDF, E.ON, SSE, Energy Networks

### Energy giants and investors urge close EU-UK ties after Brexit

The heads of energy giants and investors across Europe are urging the UK and EU to maintain close ties following Brexit.

A letter calling on the UK and EU to also work closely towards meeting the Paris climate goals has been signed by companies including Energy UK, Drax, EDF, E.ON, SSE, Energy Networks Association and innogy.

They have written to Brexit Secretary David Davis MP and Michel Barnier, European Chief Negotiator, urging them to develop a "comprehensive Climate and Energy Chapter" that covers both trade and non-trade issues.

Other firms include Aviva, WindEurope, The Prince of Wales Corporate Leaders Group, IIGCC and Anglian Water.

The letter adds: "The integration of energy markets and climate policies across Europe has enhanced energy and climate security and reduced energy bills in the UK and the EU 27. The Brexit negotiations should aim to ensure

that these benefits continue in the future.

"We welcome the intention for prioritisation of security and defence in the negotiations and also urge you to expand this commitment to combatting climate change. This will help to ensure our climate and energy security is protected, it will foster innovation and economic growth and it will help ensure the EU and UK remain leaders in the global battle against climate change."

A DExEU spokesman said: "As the PM has said, tackling climate change and mitigating its effects for the world's poorest are amongst the most critical challenges the world faces.

"We have received a letter from E3G and this will be responded to in due course. Energy and climate policy are subject to the future economic partnership negotiations but Brexit will in no way diminish our commitments to tackling the challenges climate change presents."





The UK Government is seeking views on proposals to require energy suppliers to maintain smart services when consumers using first generation smart meters switch firms.

## UK consults on interoperability of first generation smart meters

The UK Government is seeking views on proposals to require energy suppliers to maintain smart services when consumers using first generation smart meters switch firms.

A number of energy companies are currently installing SMETS1 smart meters, using their own data and communications systems to provide smart services.

However, consumers may lose the smart services when to switch to a different supplier.

The Data Communications Company (DCC) is expected to resolve the issue but energy firms are currently not required to make use of a DCC SMETS1 service.

The government is therefore consulting on proposals to require companies to enrol SMETS1 meters in the DCC or replace them with SMETS2 meters within a specified timeframe.

Following the point this obligation would apply, should a supplier acquire an eligible SMETS1 meter following change of supplier and the meter is not enrolled, the new supplier would be required to take "all reasonable steps" to enrol the meter or replace it with a SMETS2 meter within six months.

As a backstop, suppliers would be required to replace any SMETS2 meter which is not enrolled in the DCC with a SMETS2 meter by 2020.

The consultation is open until 24th May 2018.

Utilita Energy has filed for a judicial review into the end date for the installation of smart meters for Pay As You Go (PAYG) customers.