

Will the lights go out in Scotland this winter?



There were media reports earlier today that the lights could go out in the UK for the first time since the power cuts of the 1970s, and that the electricity margin had reduced to a quarter of what it was seven years ago. [BBC News online](#) said that National Grid were warning of lower capacity in the impending winter.

[The National Grid](#) put out this press release:

National Grid has published its 2014/15 Winter Outlook. The Outlook has been produced by National Grid in its role as electricity System Operator and as owner and operator of gas transmission infrastructure in Great Britain. The Outlook follows consultation with the energy industry, analysts, academics and energy policy experts.

On gas, supplies are in a strong position this winter, with gas supplies, storage and network capacity well in excess of maximum expected demand.

This year electricity margins have decreased compared to recent years, with the average cold spell (ACS) margin expected to be 4.1%. This is due to planned generator closures, breakdowns and new plant not coming online as quickly to replace them.

In response, National Grid is finalising contracts with three power stations to provide additional reserve under Supplemental Balancing Reserve (SBR); these are Littlebrook,

Rye House CCGT and Peterhead CCGT.

So are the lights about to go out? Well when you read what is said carefully it does not appear imminent. But energy is one of the areas where both the Scottish and the UK governments have a bit of a say. Energy policy is reserved to the UK Parliament but as the Scottish Government has responsibility for planning it can approve the way energy is generated by its stance on renewable or other projects.

Ofgem (Office of Gas and Electricity Markets) also have a view:

We welcome that National Grid is finalising contracts with power stations to provide extra reserve to help it balance the system if needed. This is a sensible precaution to take account of market developments including uncertainty over power station availability and this is why Ofgem approved new tools to help National Grid manage these lower margins from this winter. National Grid expects these contracts to be in operation for 1 November.

We are confident that National Grid has the right levers to keep the lights on and maintain a risk of customer disconnections which is better than the reliability standard set by government. However, given the tighter margins there can never be any room for complacency and National Grid and the industry must remain vigilant at all times.

Our photo shows both of the wave energy devices owned by Edinburgh companies Aquamarine Power and Pelamis in the Pentland Firth, Orkney.

Scottish Government Energy Minister Fergus Ewing said:

“The first duty of government energy policy is to ensure security of supply for consumers across the country and a safe margin of supply over demand. The UK Government is clearly

failing in this regard.

“Today’s report from National Grid is the latest assessment of its kind to show electricity margins decreasing. This conclusion is based on assumptions concerning the availability of electricity generators which senior figures in the industry have questioned, especially the assumptions that 90per cent of coal and nuclear capacity will continue.

“While we note the additional measures brought in by National Grid and Ofgem to address the narrowing margins, it remains to be seen exactly how much these measures will cost consumers, as they could well lead to increased energy bills.

“The report also provides further evidence that action is needed to address the possible early closure of Longannet due to transmission charges. National Grid and the UK Government need to resolve this quickly.

“Ultimately, Scotland must be given the necessary powers to ensure responsibility and accountability for delivering secure, affordable and clean energy supplies in the future. Earlier this month we put forward our proposals to the Smith Commission for these powers to be devolved to Scotland, and we will do everything we can to argue this case as the process moves forward.

“We know from previous reports by the regulator and National Grid that we are facing the tightest margins in a generation, with heightened risk of blackouts. Recent disruptions to large scale coal, gas and nuclear generation show how fragile those margins are.

“The UK Government’s electricity market reforms have not helped, with delays and uncertainty leading to the a number of planned investments being cancelled.

“Scotland is a substantial and reliable net exporter of electricity, with over a quarter of all Scottish generation

exported in 2012 – helping keep the lights on across GB. But a system which places higher costs on Scottish generators continues to threaten new investment here.”

UK Government Business and Energy Minister, Matthew Hancock said: “We have taken action to make sure our energy needs will be met this winter. We have given National Grid new tools they need to meet energy demand this winter and are working through a long term plan to turn around a legacy of underinvestment in our energy sector. This government has made sure homes and businesses across the country will be energy secure.

“But there’s more to do to complete our infrastructure plan and further strengthen our energy security. This is part of a broader strategy to support domestic supplies of electricity like renewables, shale gas and nuclear.”