

Cheaper electricity ‘threatens pollution target’*Financial Times*; Feb 4, 2002

By ANDREW TAYLOR

The government’s aim of cutting carbon dioxide emissions by 20% by 2010 is likely to be missed by an even wider margin than previously predicted, according to Cambridge Econometrics, the privately owned economic and industrial forecasters.

Tony Blair’s long-awaited energy review, due to be published later this month, is expected to call for a six-fold expansion in wind farms and other renewable sources as an important plank of government strategy to reduce greenhouse gases.

Cambridge Econometrics, however, warns that cheaper power, due to increased

competition and the introduction last year of new electricity trading arrangements, could derail carbon reduction policies.

It also revealed that a big increase in coal burning by power stations, in response to higher gas prices, prompted a sharp rise in carbon emissions last year.

It now forecasts that carbon emissions will fall by only 6.4% between 1990 and 2010 – well short of the government’s 20% target.

Professor Paul Ekins, Cambridge Econometrics senior consultant, said: ‘Measures to encourage greater efficiency in the generation and trading of electricity are to be

welcomed’.

However, lower prices would promote higher demand ‘unless accompanied by fiscal measures to encourage prudent use of energy’. ‘The government appears not yet to have learned this lesson’, he added.

Carbon emissions from power stations fell by 23.5% between 1990 and 2000 as generators switched from coal to cheaper, cleaner natural gas. This trend had now reversed, said the forecasters, who now expected carbon emissions from power stations to rise by 8.9% between 2000 and 2010.

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- 1 By how much did the government want to cut carbon dioxide emissions by the year 2010?
- 2 What is the revised predicted cut in carbon dioxide emissions by the year 2010?
- 3 Give two reasons for the fall in electricity prices.
- 4 How will cheaper electricity lead to greater carbon emissions?
- 5 Why are power stations now using more coal?
- 6 How could the government use the tax system to:
 - a encourage people to use less electricity
 - b force power stations to use less coal?

S literacy