

# Table of contents

<b>I. Introduction</b> .....	9
<b>II. The global energy triumvirate: greenhouse gas emissions, global warming and green energy</b> .....	13
<b>1. Global energy trends – overview</b> .....	13
<b>2. Green shoots still to bud: carbon far from dated</b> .....	14
2.1 The coal problem .....	14
2.2 Global greenhouse gas emissions (GHGEs) and global warming .....	16
<b>3. Global green energy: an investment success story?</b> .....	20
3.1 Investment in renewables .....	20
3.2 Growing capacity .....	21
3.3 Back to the future (again) .....	22
3.4 Capacity is not power .....	23
3.5 Electrifying energy .....	24

<b>4. Renewable technology: now cheaper and more efficient</b>	25
4.1 Falling costs	25
4.2 Explaining the cost savings	27
4.3 Price competition and the path to diminishing marginal returns	29
<b>5. Global wrap-up</b>	31
<b>III. How green is UK energy?</b>	33
<b>1. UK energy trends – overview</b>	33
<b>2. Energy versus electricity</b>	34
2.1 Generation capacity and interconnectors	35
2.2 Electricity generated	37
<b>3. The relationship between capacity and electricity         generated in the UK</b>	40
<b>IV. UK policy and the road to Net Zero</b>	41
<b>1. UK energy policy</b>	41
<b>2. Policy development – overview</b>	42
2.1 Climate Change Act 2009	42
2.2 Coalition government 2011 budget	42
2.3 Electricity Market Reform (EMR) under the Energy Act 2013	42
2.4 The Renewables Obligation (RO)	44
2.5 The Feed-in Tariff (FIT)	45
2.6 Smart Export Guarantee (SEG)	45
<b>3. The emergence of Net Zero</b>	46
<b>4. The Committee on Climate Change’s 2019 Progress Report</b>	49
<b>5. Future energy scenarios 2019: Net Zero aspects</b>	50
5.1 Heating homes	51
5.2 Growth in generation capacity	52
5.3 Net Zero actually means negative zero – sequestration	53
5.4 Indispensability of carbon capture, use and storage (CCUS) technology	53

5.5	Electric vehicles (EVs)	54
5.6	Interoperability	55
5.7	Behavioural	55
<b>6.</b>	<b>Delivering Net Zero</b>	<b>55</b>
<b>V.</b>	<b>Generation technologies: going from black to grey</b>	<b>57</b>
<b>1.</b>	<b>Overview</b>	<b>57</b>
<b>2.</b>	<b>Coal-fired generation</b>	<b>58</b>
2.1	Summary	58
2.2	The coal scene	58
2.3	Policy	58
2.4	Convert or close	60
2.5	Biomass conversion, gas conversion and carbon capture, use and storage (CCUS)	61
2.6	Decommissioning	61
<b>3.</b>	<b>Nuclear generation</b>	<b>63</b>
3.1	Overview	63
3.2	New build nuclear	64
3.3	Nuclear development costs	65
3.4	Nuclear third-party liability	66
3.5	Brexit and Euratom ('Brexitatom')	67
3.6	The regulated asset base (RAB) model	68
3.7	What next for RAB?	70
<b>4.</b>	<b>Natural gas-fired generation</b>	<b>70</b>
4.1	Overview	70
4.2	Peaking plants	72
4.3	Baseload plants	72
4.4	The Capacity Market (CM): a capacity lost?	73
4.5	Gas in a renewables world?	73
4.6	Gas: going green?	75
<b>VI.</b>	<b>Generation technologies: going from grey to green</b>	<b>77</b>
<b>1.</b>	<b>Overview</b>	<b>77</b>
<b>2.</b>	<b>Solar photovoltaic (PV)</b>	<b>78</b>
2.1	Overview	78
2.2	Why solar?	79

2.3	Development aspects .....	79
2.4	Operation aspects .....	80
2.5	Connection aspects and stranded assets .....	80
2.6	Solar and subsidy .....	81
2.7	Solar without subsidy .....	85
<b>3.</b>	<b>Wind power .....</b>	<b>87</b>
3.1	Overview .....	87
3.2	Wind in the UK .....	88
3.3	Cost of wind .....	89
3.4	Investing in wind power .....	91
3.5	Wind: finance aspects .....	94
<b>VII.</b>	<b>Net Zero and future technologies .....</b>	<b>97</b>
<b>1.</b>	<b>Overview .....</b>	<b>97</b>
<b>2.</b>	<b>Energy storage .....</b>	<b>98</b>
2.1	Overview .....	98
2.2	Opportunities: co-location and revenue stacking .....	98
2.3	Battery storage: lithium ion and electric vehicles (EVs) .....	99
2.4	Pumped storage .....	100
2.5	Thermal storage .....	101
2.6	Hydrogen storage .....	102
<b>3.</b>	<b>Floating wind power .....</b>	<b>102</b>
3.1	Overview .....	102
3.2	Early stage technology .....	102
3.3	Crown Estate and floating projects .....	103
3.4	Floating wind as a sector opportunity .....	103
3.5	Floating wind benefits .....	104
3.6	Key issues with floating projects .....	105
3.7	What next for floating wind? .....	106
<b>4.</b>	<b>Hydrogen: to the rescue? .....</b>	<b>107</b>
4.1	Why hydrogen? .....	107
4.2	How is hydrogen produced? .....	108
4.3	Hydrogen and energy storage .....	112
4.4	Applications of clean hydrogen .....	112
4.5	Hydrogen: two opportunities .....	115
4.6	Hydrogen in 2050 .....	116

<b>5. Carbon capture technology</b>	118
5.1 Overview	118
5.2 Carbon capture storage (CCS) and Net Zero	119
<b>6. Negative emissions</b>	121
6.1 Going green: reforestation and rewilding	122
6.2 Direct air capture (DAC)	123
6.3 Bioenergy carbon capture storage (BECCS)	123
<b>7. Advanced nuclear technologies</b>	124
7.1 Overview	124
7.2 Small modular reactors (SMRs) (Generation III water-cooled SMRs)	125
7.3 Advanced modular reactors (AMRs) (Generation IV AMRs)	126
7.4 Why advanced nuclear?	126
<b>VIII. The UK's electricity network: electrons in balance</b>	129
<b>1. Overview</b>	129
<b>2. The electricity system: what it is and how it works</b>	130
2.1 Generators	130
2.2 Transmission operators (TOs)	130
2.3 Transmission system operator (TSO)	131
2.4 Distribution network operators (DNOs)	131
2.5 Trade and aggregators	131
2.6 Suppliers	132
2.7 Customers (industrial, commercial and residential)	132
2.8 Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS)	133
<b>3. Balancing the electricity system: the balancing mechanism (BM) and ancillary services</b>	133
3.1 The balancing mechanism (BM)	133
3.2 Wind and the balancing mechanism (BM)	135
3.3 Ancillary services	136
<b>IX. Looking forward</b>	145
<b>Notes</b>	148
<b>About the author</b>	151
<b>About Globe Law and Business</b>	152