

**Mohammed Gary (Mr A) EDU**

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**From:** Land, Martin (Energy Wholesale) [Martin.Land@eon-uk.com]  
**Sent:** 16 January 2008 08:31  
**To:** Mohammed Gary (Mr A) EDU  
**Subject:** Kingsnorth Unit 5 & 6 - Form B and update meeting

Gary

Detail of timeline and reasoning as follows;

The decision to commit to ongoing investment for environmental improvement at Kingsnorth was a commitment some years ago and resulted in the preference for a replacement power plant. Hence resulting in an application under Section 36, commenced in Nov 2005.

- E.ON UK had to decide by 3<sup>rd</sup> February 2006 whether to opt in or out of LCPD its three coal and one oil fired Power Stations totalling 6.3GW of generating capacity
- Ratcliffe (2GW) was one of the first coal fired Power Station to be fitted with FGD plant in the 1990s and was therefore opted into to LCPD (ELV system)
- Ironbridge (1GW) coal fired Power Station and Grain (1.3GW) oil fired Power Station were both opted out for a variety of reasons that meant the fitting of FGD and other abatement equipment was not economically justified.
- The decision at Kingsnorth (2GW) was much more finely balanced.
  - The location of Kingsnorth (near to London), the engineering integrity of the current subcritical units, availability of direct cooling for increased efficiency and the available land all meant that FGD was a potentially viable option.
  - However investing over £300M in FGD would not have reduced the carbon impact of the Power Station (in fact it would have been made marginally worse) and would mean taking Units out of service for extended outage at a period of tightness in the supply market.
  - This option was ruled out in favour of pursuing either supercritical retrofit into existing boiler house or the construction of new supercritical units. These options were analysed throughout 2006 in particular with reference to DTI Project 407 (in which E.ON UK is a lead partner) and the decision made that new supercritical plant offered distinct advantages over retrofit at Kingsnorth:
    - The new units can be built whilst the existing units are still operational where as retrofit requires a number of years with no generation from the site during potentially
    - The engineering and contractual arrangements for new build are a lot simpler than for retrofit with price certainty a lot clearer
    - Space limitations for retrofit will limit the size of FGD and SCR that can be installed
    - The efficiency of the new plant can be guaranteed far more and could potentially be 1% point greater as there will be no compromise on the engineering
    - New units allow the layout to be optimised to ensure the plant is truly capture ready. On a retrofit the space would be limited and compromises may be required that would make CCS more difficult/expensive
- On the basis that BERR approve the building of new units at Kingsnorth, we do not see any value in revisiting the potential to life extend the existing units. If this was to be a recommended course of action by others then 'Opting In' of the existing units would (at least) require the units come back to new plant standard
  - i.e. an FGD capable of 200mg/m<sup>3</sup> SO<sub>2</sub> and SCR to deliver NO<sub>x</sub> of 200mg/m<sup>3</sup> compared with 400 mg/m<sup>3</sup> SO<sub>2</sub> and 500mg/m<sup>3</sup> for NO<sub>x</sub> (no SCR) until 2015 for opted in stations; by way of comparison the proposed new units at Kingsnorth will have emissions of 100mg/m<sup>3</sup> SO<sub>2</sub> and 100mg/m<sup>3</sup> NO<sub>x</sub> as a daily maximum. This would be possible but a lost opportunity for the energy industry in UK.

In summary E.ON UK are committed to a broad investment portfolio in UK with diversity and security of supply as key drivers as we approach the close out of existing UK wide fleet. We have just commissioned Stevens Croft, we are building Robin Rigg and have consented London Array, etc. We will close 4.3GW of coal and oil fired capacity in the first half of next decade due and will be replaced by 2.4GW of gas (Grain and Drakelow),

1.6GW of supercritical coal (Kingsnorth) and a significant number of on shore renewable assets. We are committed to maintain security and diversity of supply to customers, account for growth in demand and have a much lower carbon impact.

Doug Waters  
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**From:** Mohammed Gary (Mr A) EDU [mailto:Gary.Mohammed@berr.gsi.gov.uk]  
**Sent:** Friday, January 11, 2008 10:19 AM  
**To:** Waters, Doug (Energy Wholesale)  
**Cc:** Land, Martin (Energy Wholesale)  
**Subject:** RE: Kingsnorth Unit 5 & 6 - Form B and update meeting

Doug/Martin

Have read the legal arguments against and one thing springs to mind, ie the opt out of the existing station. If the new Kingsnorth is not approved would E.ON keep the existing station open or is it now too late and it must close by 2015. Asking because certain parties question the validity of the comparison of the old and new stations.

Regards

Gary

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**From:** Waters, Doug (Energy Wholesale) [mailto:Doug.Waters@eon-uk.com]  
**Sent:** 09 January 2008 10:03  
**To:** Mohammed Gary (Mr A) EDU  
**Cc:** Land, Martin (Energy Wholesale)  
**Subject:** FW: Kingsnorth Unit 5 & 6 - Form B and update meeting

Gary

Martin and I would appreciate an hour of your time tomorrow 10<sup>th</sup> first thing, say 0930. Is this possible?

Regards

Doug

Doug Waters  
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**From:** Land, Martin (Energy Wholesale)  
**Sent:** Wednesday, January 09, 2008 9:58 AM  
**To:** Waters, Doug (Energy Wholesale)  
**Subject:** FW: Kingsnorth Unit 5 & 6 - Form B and update meeting

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**From:** Mohammed Gary (Mr A) EDU [mailto:Gary.Mohammed@berr.gsi.gov.uk]

**Sent:** Wednesday, January 09, 2008 7:45 AM  
**To:** Land, Martin (Energy Wholesale)  
**Subject:** RE: Kingsnorth Unit 5 & 6 - Form B and update meeting

Martin

I'm available tomorrow (10th) and from next Thurs (17th) onwards. In Scotland and North East this Friday until next Wednesday. Richard is not available tomorrow, but appears to be next Thurs and Fri.

Regards

Gary

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**From:** Land, Martin (Energy Wholesale) [mailto:Martin.Land@eon-uk.com]  
**Sent:** 08 January 2008 19:41  
**To:** Mohammed Gary (Mr A) EDU  
**Subject:** Kingsnorth Unit 5 & 6 - Form B and update meeting

Gary

I expect to receive the Form B from Medway tomorrow morning and would like to come and see you and Richard asap.

I would like to bring Doug Waters so we can finalise the timeline.

What is your diary like?

Martin

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