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PRIME MINISTER

9 September 1986

ACID RAIN - EMISSION CONTROLS AT CEGB POWER STATIONS

Politically it would be dangerous for the Government to do less than endorse the CEGB's proposal. There is already press speculation that the Government is about to change its policy as regards the retrofitting of flue gas de-sulphurisation (FGD) at existing power stations. It will soon become public knowledge that the CEGB has tabled specific plans to retrofit some 6,000 MW of existing coal-fired capacity, thereby aiming to keep the trend of UK sulphur emissions on a declining path.

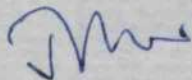
Nonetheless, it is impossible to quantify the environmental benefits which can be attributed to the CEGB's additional expenditure programme for FGD at existing power stations. Recognising this, the trick is:

- to derive maximum political advantage at home and abroad from the revised policy on the control of sulphur emissions from UK power stations;
- to ensure that the additional expenditure is made to good effect and at a measured pace without jeopardising the security of UK electricity supplies; (There should be no hint of a crash programme of retrofitting FGD in existing power stations.)
- to ensure that the UK manufacturing sector benefits to the full in serving the environmental control market both at home and abroad;
- to ensure the Government is not pressed to go further in retrofitting existing power stations; (if agreement

can be achieved within Europe on the basis of a common standard consistent with the CEGB's proposal, our position will be more secure.)

Conclusion

Accept the CEGB's proposal and concentrate on the conditions (such as those outlined above) for Government endorsement.



JOHN WYBREW