

UKBCSE RECEPTION – 10 February 2010

Chairman's remarks

Steve Holliday, Chief Executive, National Grid.

(Check Against Delivery)

Colleagues, guests. Thank you for joining us here tonight.

For all of us involved in the Council this reception is one of the key events of the Council's year – and this year it looks like many more of you also value the opportunity to join us.

This week has already been a significant one for many of us – earlier this week leaders from across the energy and financial sectors met the Prime Minister, Ed Miliband and Peter Mandelson to discuss both the post Copenhagen landscape and the extent to which we are on track to get the investment needed in place to deliver the UK's carbon budget.

I wanted to share with you some of the points I raised:

- The challenge of the transition to a low carbon future is huge - Ofgem suggest up to £200bn to deliver all of the low carbon investment we need by 2020, and this needs to be delivered in a timely and cost effective manner.
- Investors need to have clarity and certainty about investment. This is urgently needed so the energy sector can take a strong lead in creating low carbon technology jobs *and* maintain security of supply.
- The energy industry has a strong investment track record but looking forwards to 2020 Chief Executives across the industry believe that the incentive arrangements for low carbon investment currently in place are *not sufficient* to deliver the capital-intensive low-carbon investment needed in the anticipated time frame.
- Achieving a secure and low carbon future will require a diversity of technologies *and* a long term and coherent market framework. This will feed through to the investment needed in the supply chain to stimulate new green jobs in key UK sectors.

- Government needs to lead the agenda and we all need to be open and honest about the long term direction of energy prices and the support that is already available and will be needed to help customers make the transition – especially through effective action on energy efficiency.

That is why this evening the Council is releasing its detailed action plan for the steps that must be taken to improve the energy efficiency of the nations homes and why the industry will shortly be initiating a well focussed campaign to promote help that is available this winter for vulnerable households.

The members of the Business Council have and are investing in the transition to a low carbon future.

But we all know much more needs to be done and that's why all of us in the Council are delighted that one area that Gordon Brown, David Cameron and Nick Clegg all agree on is the urgency of the challenge of climate change and the need to take action.

Whatever the outcome of this year's General Election my fellow CEOs and I have the will to deliver the big changes that are needed and look forward to taking this absolutely vital agenda forward with the next Gov't.

I know David and his team will continue their excellent work to support us.

I am pleased to see so many colleagues from Parliament, Government, NGOs and businesses here.

It is only through effective partnerships across the political spectrum that we will be able to move forward with confidence and drive the economic stimulus that much of our investment will create.

Now is the time for delivery.

Thank you