

**ALSTOM**

**A**  
**AREVA**

**DOOSAN**

Gamesa 

 **MITSUBISHI**  
POWER SYSTEMS EUROPE, LTD.

**SIEMENS**

**Vestas**

Rt Hon Edward Davey MP  
Secretary of State  
Department of Energy & Climate Change  
3 Whitehall Place  
London  
SW1A 2AA

5 October 2012

Dear Secretary of State

Our companies are multinational technology leaders for the supply of low carbon power generation equipment and associated services with a range of opportunities around the world. Our interests span high efficiency gas fired generation, clean coal and carbon capture, nuclear and renewables technologies, all of which will contribute to the future low carbon generation mix that the UK will need.

We already employ 17,500 personnel in the UK energy sector and see potential for significant further investment to support the UK's move to low carbon power generation if the Government is able to ensure high levels of confidence. These potential jobs are likely to be across R&D, manufacturing and service facilities and would support new generation capacity and technology development in the UK. That investment could provide many tens of thousands of new jobs and help to control consumer bills by lowering the cost of technologies but is critically dependent on a long term stable policy framework.

The aims of electricity market reform include stimulating new investment in low carbon generation. Timely delivery of EMR is vital but is not enough on its own to underpin large scale industrial investments. These investments have long timescales and carry a risk of stranding if the present policy focus on decarbonisation and green growth changes. The recent delays and reported disagreements in government over the RO Banding, and speculation about future rationing of feed in tariff contracts, are two examples that have caused us to reassess the level of political risk in the UK.

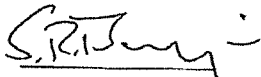
Historically the UK has benefited from being known as a country with low political risk for energy sector investments. Undermining that reputation would have damaging consequences for the scale of future investments in the UK energy sector. It is important to protect that reputation carefully.

We consider that a binding 2030 target for power sector decarbonisation would help to reduce the political risk currently associated with long term UK industrial investment. It would also help to provide the long term view needed to build alliances and supply chain relationships required for cost reduction and opportunities for local content. We therefore firmly support the proposal put forward in the report of the House of Commons Energy and Climate Change Committee and in the recent letter from the Committee on Climate Change, that a 2030 carbon intensity commitment should be put in place for the power sector.

We warmly welcome your statement that you are seriously considering this proposal and urge the government to take the opportunity presented by the passage of the Energy Bill to introduce a power sector decarbonisation target for 2030.

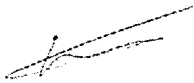
We would be pleased to meet you, individually or as a group to discuss the matter in more detail.

Yours faithfully



Stephen Burgin  
UK President, Alstom

The Place  
175 High Holborn  
London WC1V 7AA



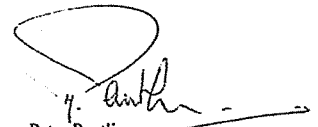
Alain-Pierre Raynaud  
Chairman & CEO, AREVA UK

21 St James's Square  
London SW1Y 4JZ



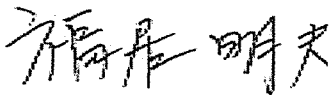
Jean Michel Aubertin  
CEO Doosan Power Systems

Doosan House  
Crawley Business Quarter  
Manor Royal, Crawley  
West Sussex RH10 9AD



Peter Pantlin  
UK Chief Corporate Officer  
Gamesa Wind UK Ltd

5th floor, 16 Palace Street  
London SW1E 5JD



Akio Fukui  
Chairman

Mitsubishi Power Systems  
Europe Ltd  
20 North Audley Street  
London W1K 6WL



Matthew Chinn  
Managing Director  
Siemens Energy Sector UK

Sir William Siemens Square  
Camberley  
Surrey GU16 8QD

Ditlev Engel  
CEO  
Vestas Wind Systems A/S  
Hedeager 44  
Aarhus  
DK-8200  
Denmark

cc: Prime Minister, The Rt Hon David Cameron  
Deputy Prime Minister, The Rt Hon Nick Clegg  
Chancellor of the Exchequer, The Rt Hon George Osborne  
Secretary of State for Business, Innovation and Skills, The Rt Hon Dr Vincent Cable MP  
Minister of State at the Cabinet Office, The Rt Hon Oliver Letwin