



Our energy future -
creating a low
carbon economy

Presented to Parliament by the
Secretary of State for Trade and Industry by
Command of Her Majesty
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Foreword



Energy is vital to a modern economy. We need energy to heat and light our homes, to help us travel and to power our businesses. Our economy has also benefited hugely from our country's resources of fossil fuels - coal, oil and gas.

However, our energy system faces new challenges. Energy can no longer be thought of as a short-term domestic issue. Climate change - largely caused by burning fossil fuels - threatens major consequences in the UK and worldwide, most seriously for the poorest countries who are least able to cope. Our energy supplies will increasingly depend on imported gas and oil from Europe and beyond. At the same time, we need competitive markets to keep down costs and keep energy affordable for our businesses, industries, and households.

This white paper addresses those challenges. It gives a new direction for energy policy. We need urgent global action to tackle climate change. We are showing leadership by putting the UK on a path to a 60% reduction in its carbon dioxide emissions by 2050. And, because this country cannot solve this problem alone, we will work internationally to secure the major cuts in emissions that will be needed worldwide.

Our analysis suggests that, by working with others, the costs of action will be acceptable - and the costs of inaction are potentially much greater. And as we move to a new, low carbon economy, there are major opportunities for our businesses to become world leaders in the technologies we will need for the future - such as fuel cells, offshore wind and tidal power. Science and technology are vital, and we will be supporting further research and development in these areas.

In parallel, we need access to a wide range of energy sources and technologies and a robust infrastructure to bring the energy to where we want to use it. We will maintain competitive markets in the UK and press for further liberalisation in Europe. And we renew our commitment that no household in Britain should be living in fuel poverty by 2016-18.

This white paper is a milestone in energy policy. It is based on the four pillars of the environment, energy reliability, affordable energy for the poorest, and competitive markets for our businesses, industries and households.

This white paper sets out a strategy for the long term, to give industry the confidence to invest to help us deliver our goals - a truly sustainable energy policy.

The logo for the Energy Review, featuring the words "Energy Review" in a stylized, handwritten font. The "E" is large and prominent, and the "Review" is written in a smaller, cursive script. The logo is set against a dark, textured background.

