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PRESS RELEASE



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Green Energy Solutions

GREEN POWER

Clarke Energy is taking a leading role in the development of renewable energy sources. John Munnery, group communications director, talks to Jayne Flannery about the hurdles that are being surmounted to limit emissions of greenhouse gases.

The angry exchanges over the Kyoto protocol highlighted the environmental abyss, which awaits the planet if the tidal wave of pollution resulting from greenhouse gases is not arrested. Against this stark backdrop, it is gratifying to see a British company doing something as constructive as Clarke Energy. The company has developed a world-class knowledge base of cogeneration otherwise known as combined heat and power (CHP) technologies with the aim of helping to preserve the environment. The company has emerged as the foremost turnkey supplier of gas powered generators, high temperature flare stacks and emission control products in the UK and has significant overseas operations. It has also developed vast experience of funding these initiatives and can offer customers substantial bottom line benefits through savings in the Climate Change Levy.

Local power is an emerging trend across the world. It stands in contrast to the established practice of centralised power generation, but is growing in popularity, as policy makers increasingly recognise it as the most efficient and environmentally friendly option to support sustainable economic growth. Facilitating this new form of embedded power generation, sometimes referred to as 'distributed power', has emerged as a key strand of the company's work.

Clarke Energy operates within the New Electricity Trading Arrangements (NETA) which came into force last March. The new scheme replaces earlier pooling arrangements with a series of bilateral agreements between providers and is aimed to better meet the complex swings in supply and demand which characterise the market, ultimately giving a more economic electricity source to consumers. Currently, Clarke Energy is involved with major embedded power generation projects for Scottish and Southern Energy. However it is a highly complex business and, at this embryonic stage, not without problems.

John Munnery, group communications Director comments: "Scottish and Southern Energy is building a series of power stations throughout the south of the UK which, put simply, will have the flexibility to generate power for peak requirements, much closer to the point of use. However, while the objective

of NETA has been to lower the price of electricity for consumers, the price of gas has doubled since 1999. In many cases this has made combined heat and power initiatives uneconomic to install and run. The high price of gas is distorting the market and within the NETA arrangements, no clear picture has yet emerged as to how the electricity industry will be able to move forward. Over the last two years many schemes designed to run on natural gas had to be cancelled or deferred, the projects we are working on being exceptions. We are optimistic though that the high price of gas will prove to be just a temporary problem."

Clarke Energy has developed an outstanding record of renewable power generation from methane gas that occurs as a by-product of landfill and sewerage installations.

"From a zero start in 1995 we now have an 80 per cent market share of the landfill market," John continued. He attributes much of this success to the partnership which the company has developed with Jenbacher - manufacturers of custom designed engines for handling gas and Bio-gas derivatives - for whom Clarke Energy acts as exclusive UK distributor. "Nothing else can match the sophistication of these combustion engines or the R&D input which accounts for their performance. They have an unmatched capability to deal with variable and especially lower fuel qualities," he explains

Now Clarke Energy is turning its attention to coal mines. Coal mine methane can be bought at a lower price but it is a finite resource and depends on new technology." says John. "There is also the problem that coal mine methane is, at present, excluded from any price support mechanisms within the UK. This is despite the fact that the methane which former mines are venting into the atmosphere is 21 times more injurious than carbon dioxide to the greenhouse effect. If a mechanism could be developed to support the price, as is the case in Germany, more of the 900 closed mines in the UK could be developed. It would be of benefit to Kyoto and make up for the shortfall in green energy, as well as benefiting local communities."

The new £5 million Shirebrook Green Energy Park was formerly a colliery in Derbyshire. It was developed by Coalgas (UK) Ltd and Independent Energy (UK) Ltd, into one of the UK's major mine methane-to-power schemes, and is now run by Clarke Generation, an associate company. It prevents the emission of a huge amount of methane gas -the equivalent of around 280,000 tonnes per year of carbon dioxide -which is then recycled into the energy chain. To support a mines gas operation, the site is connected to a natural gas transmission system which allows a dual fuel facility. It is the Jenbacher engine's first application in the UK in a mine gas operation. The five custom built Jenbacher 616GS-S/L gas engine generators use methane gas produced from miles of abandoned mine tunnels. All have the vital flexibility to switch from waste gas to natural gas, without any loss of performance, when the pressure of the mines gas fluctuates.

John has no doubts as to the growth potential of the industry. "The role of renewable energy in power generation within the UK is a fundamental part of future electricity generation and has to be taken seriously." He is equally convinced of the potential of Clarke Energy. "We won the contracts with Scottish and Southern Energy against world class competition on the basis of our on price/on time delivery performance and a service record that is second to none. We have built up the business through our reputation for product, service and guaranteed availability and intend to continue building the business in the same way," he concludes.

Note:-

Clarke Energy Limited is a leading worldwide Energy Systems Company offering a wide range of green power generation solutions with offices in Australia, France, India, Nigeria, New Zealand and UK. Clarke Energy employs over 150 people worldwide and operates as part of the Clarke Group.

Further information about Clarke Energy and its activities is available by contacting the Public Relations and Marketing Department on 0151 546 4446 or via email at: pr@clarke-energy.co.uk