Industry news: May 2007

- Hanson plc taken over by HeidelbergCement
- Public inquiry backs Peak District National Park
- UK quarrying industry wins awards
- Government publishes Energy White Paper “meeting the energy challenge”
- Report advocates clean coal
- Safety approval for UK nuclear plants
- Plans for new UK coal power stations
- New plans for world’s largest offshore wind farm
- Rio Tinto and BP form a new clean energy company

Hanson plc taken over by HeidelbergCement

This month saw the global building industry's biggest ever takeover with the German based HeidelbergCement paying £7.85 billion for the UK’s largest aggregates producer, Hanson. The takeover will give HeidelbergCement new businesses in Australia and greatly strengthen their position in North America, where half of Hanson’s sales are from.

The HeidelbergCement CEO said “the companies are a perfect fit and overlaps are minimal.” There are expected to be some job cuts as administrative centres are merged in the UK and US.

This is the latest in a series of takeovers of UK-based aggregate companies and marks the end of the last major UK-owned aggregate producer. In 2001 Lafarge SA purchased Blue Circle Industries and in 2004 the RMC Group was taken over by Cemex. The latest takeover will make HeidelbergCement the world’s second largest producer of building materials behind Lafarge SA and will increase the company’s revenue to $21 billion.

http://www.bgs.ac.uk/downloads/start.cfm?id=
Public inquiry backs Peak District National Park

The recent public inquiry into the Blackdale Quarry on Longstone Edge, Derbyshire, has ruled in favor of the Peak District National Park Authority enforcement action to stop excess limestone removal. The decision comes after a two week inquiry in February.

The quarry operators, MMC Minerals, claim their original planning permission from 1952 gives them the right to extract limestone for aggregate use along with fluorspar, but the National Park Authority state that the permission is outdated and being taken advantage of to remove excess amounts of limestone. After this success the Authority has also stated its intentions to initiate enforcement action on other workings on Longstone Edge (namely at Wagers Flat, Beacon Rod and Peak Pasture). The quarry owners have four months to appeal against the decision.


UK quarrying industry wins awards

The UK quarrying industry won two awards at the European Aggregates Association sustainable development awards held in Brussels this month. Nine awards were given in total, the only other country to receive two being Spain. The award for economic contribution to society was won by Eton Aggregates for its Dorney lake restoration project. This transformed a sand and gravel extraction site to the official Olympic rowing venue for
the 2012 games. The special association award was given to the Quarry Products Association for its work on health and safety through its [www.safequarry.com](http://www.safequarry.com) website.

**Source:** [http://www.qpa.org/07-release006.htm](http://www.qpa.org/07-release006.htm)

### Government publishes Energy White Paper “meeting the energy challenge”

Greater energy efficiency and a secure, low carbon energy mix for the long-term are the focuses of the new Government Energy White Paper published on 23 May. Key points include carbon capping and trading for larger organisations, further study into the use of biomass fuels, development of UK coal resources and legislation to allow storage of natural gas under the seabed.

However, the main focus of the paper is nuclear energy: the Prime Minister recently stated “Nuclear power is needed to help reduce carbon emissions and to ensure that the UK has secure energy supplies in the future”. The Industry Secretary, Alistair Darling, has also indicated that nuclear power is needed to replace many UK power stations set to close in the next 20 years. A Government consultation looking at nuclear power station funding and legislation has started with the release of the paper.

Although legislation to support renewable energy is mentioned in the paper, Tony Blair's statement that “we are not going to be able to make up through wind farms all the deficit on nuclear power” is a blow to advocates of renewable energy sources.


### Report advocates clean coal

The think-tank, The Centre for Policy Studies, has issued a report supporting the use of coal for energy generation. The report goes on to say although coal has a bad reputation as a major cause of carbon emissions, modern technologies are being developed to reduce the environmental impact of coal-fired power generation. Coal is a reliable energy source that can be stored and provided on demand, and is needed to counter a possible shortfall of 32 GW of power supply in the UK by 2016 the study added.

The report was released in advance of the UK Energy White Paper, published on the 23 May and urges the government to make use of indigenous secure UK coal supplies, as they are more reliable than foreign gas imports and cheaper than renewables. This could be done by subsidising new clean coal developments, and by rationalising planning rules for power plants and coal mines. The report also argues that by leading the way in clean coal
technology the UK would aid countries such as China and India in using their own coal resources in an environmentally acceptable way.


Safety approval for UK nuclear plants

British Energy’s two power stations, Hunterston B in Ayrshire and Hinkley Point B in Somerset, have been granted safety approval during recent review by the Nuclear Installations Inspectorate. Both power stations have been closed for almost a year for repairs and the new licenses are subject to more work being completed at the plants, specifically repairs on boilers.

The licences state that another public safety review will not have to be carried out until 2017. However, the power stations were originally due to be shut down in 2011 and British Energy has started a review of their viability. An announcement on the lifespan of these plants will be made in March 2008.

Plans for new UK coal power stations

Three proposals for new UK coal power stations have recently been announced. RWE Npower has submitted proposals to replace its existing power station at Tilbury, Essex, and to build a new plant on the site of the former Blyth power station, Northumberland, at costs of £1 billion and £2 billion respectively. The German-owned E.ON Npower has also submitted plans to replace its plant in Kingsnorth, Kent by 2012.

All of the proposals state that the stations will have the capacity to burn organic “biomass” fuels, which are carbon neutral, and will also be able to utilise carbon capture and storage technology. However, this technology is not yet viable, and Npower admits that there are “many financial, legal, regulatory and technical hurdles to overcome before the technology can be implemented”.

The Department of Trade and Industry has provisionally said the developments could go ahead if they meet planning and environmental regulations, but opposition to the Blyth plant has already started with local councillors saying a new power station would not fit with the area's redevelopment plans.

Sources: [http://news.bbc.co.uk/1/hi/uk_politics/6444373.stm](http://news.bbc.co.uk/1/hi/uk_politics/6444373.stm) and [http://news.bbc.co.uk/1/hi/england/tyne/6646315.stm](http://news.bbc.co.uk/1/hi/england/tyne/6646315.stm)

New plans for world's largest offshore wind farm

http://www.bgs.ac.uk/downloads/start.cfm?id=
The company, Farm Energy2, has unveiled plans to build the world's largest offshore wind farm, off the coast of north Devon. The “Atlantic Array Scheme”, if given permission and completed, could provide enough energy to power 1 million homes, adequate for all of Devon. Local councils support the proposal, stating that the wind farm will bring economic benefits through long-term employment. Carbon emissions from the region would also be greatly reduced. However, there are many environmental issues to consider and concern has been raised about the project's proximity to the Island of Lundy.

Source: http://news.bbc.co.uk/1/hi/england/devon/6664005.stm

Rio Tinto and BP form a new clean energy company

BP and Rio Tinto have formed a new jointly-owned company that will focus on the generation of clean energy via hydrogen-fuelled power generation and carbon capture and storage technology. The company, Hydrogen Energy, will work on the conversion of fossil fuel feedstocks to hydrogen, with the carbon dioxide being captured and stored. BP and Rio Tinto state that the research is needed due to the “rapid worldwide development of new power generation” and that much of the growth in power generation will be in countries rich in coal which will be “a significant part of the energy mix”.

BP already has plans to develop a hydrogen power plant in Peterhead, Scotland. This will use natural gas as a feedstock and will inject captured CO2 into a nearby North Sea oil field for storage and use in improving oil recovery.

Source: http://www.riotinto.com/media/5157_6359.asp