

HOT STOCKS NOVEMBER 15, 2018 / 8:17 AM / UPDATED 21 MINUTES AGO

UPDATE 2-UK must halt back-up power scheme after EU court ruling

SPONSORED

Susanna Twidale

3 MIN READ



(Updates with fresh government comment; adds analyst comment)

By Susanna Twidale

LONDON, Nov 15 (Reuters) - Britain must halt a back-up power scheme aimed at avoiding electricity shortages pending a further investigation by European Union regulators, an EU court ruled on Thursday.

The judgment by the EU's General Court annuls a decision by the European Commission, which had said Britain's so-called power capacity market was compatible with EU state aid rules.

SPONSORED

Britain began power capacity auctions in 2014, offering to pay providers for making supplies available at short notice, and so avoid shortages that might occur as coal plants close and low prices dissuade investors from building new power plants.

SPONSORED

However, British energy company Tempus Energy launched an appeal against the capacity market, saying it amounted to subsidies for fossil fuel generators and discriminated against technology designed to cut electricity demand during peak times.

In Thursday's judgment, the General Court said the European Commission did not carry out enough checks and that payments under the British scheme should be halted until further due diligence could be carried out.

Ad



12 crowd-pleasers that make awes

These popular picks all come with fast shipping, easy r

BELLROY

The Business, Energy and Industrial Strategy said the ruling imposes a “standstill period” on the capacity market and it was working with National Grid to contact the affected companies.

“We are already working closely with the Commission to aid their investigation and seek timely state aid approval for the capacity market...The ruling will not impact security of supply this winter,” it added.

Shares in British power firms SSE, Drax and Centrica, which won contracts under the scheme, fell between 3 and 6 percent, underperforming the wider FTSE 100 index, which was little changed.

“The ultimate result of the European Commission’s formal investigation will take time and add uncertainty,” said analysts

at Bernstein.

“Given that a number of European countries have capacity market schemes that have no demand-side participation, we fail to see how the UK capacity market can be singled out,” they said, adding that decision can be appealed by Britain. (Reporting by Susanna Twidale; additional reporting by Nina Chestney; Editing by Kirsten Donovan)

Our Standards: [The Thomson Reuters Trust Principles.](#)

MORE FROM REUTERS

TOP ARTICLES 1/5



British PM hails Brexit deal but must sell it to doubtful ministers

[READ MORE >>](#)

SPONSORED



BioSig Technologies (Nasdaq: BSGM) PURE EP Poised for Strong US Launch
BioSig Technologies



Explore the market factors & psychology behind recent volatility
Global X ETFs



How Much Do People Really Get From a Reverse Mortgage?
Lending Tree-Reverse Mortgage



Promoted by **Dianomi**

ENERGY NOVEMBER 15, 2018 / 2:26 AM / UPDATED 7 HOURS AGO

Equinor takes Scatec stake in solar energy



OSLO, Nov 15 (Reuters) - Norway's Equinor has bought a 9.7 percent stake in renewable energy producer Scatec Solar, raising its ownership to 10 percent, the state-controlled energy firm said on Thursday.

“The investment in Scatec Solar will increase Equinor’s exposure to a fast growing renewable sector, further complementing Equinor’s portfolio with profitable solar energy,” Equinor said in a statement.

“This is in line with our strategy to develop into a broad energy company,” it said.

It paid 700 million Norwegian crowns (\$82.55 million) for the stake, corresponding to about 63.5 crowns per share, a premium of 4.8 percent over Wednesday’s closing price on the Oslo stock market.

In partnership with Scatec, Equinor entered its first solar development project in 2017 in Brazil, followed by a second joint project in Argentina in June 2018.

Equinor has also invested heavily in offshore wind turbine projects.

\$1 = 8.4799 Norwegian crowns Reporting by Terje Solsvik; editing by Jason Neely

Our Standards: [The Thomson Reuters Trust Principles.](#)

