



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Greg Clark MP
Secretary of State for BEIS
1 Victoria Street
London
SW1H 0ET

13th February 2017

Dear Greg,

The Hendry Review of Tidal Lagoons

I write on behalf of 107 Members of Parliament following the publication of the Hendry Review of Tidal Lagoons.

Charles Hendry's Review on Tidal Lagoons urges the government to give the green light for a pathfinder tidal lagoon at Swansea, as a first step towards the UK becoming the leader in a new global industry. The UK can, the report noted, be the first movers in a new technology so well suited to the violent tides on our western coastline: or we can allow others to lead.

The report looked at energy security, decarbonisation and economic benefits (jobs) and concluded that on all three factors tidal lagoons scored very highly – an indigenous and completely predictable supply, a positive contribution to our decarbonisation goals and huge benefits for supply chains, as well as underestimated tourism figures.

Since the Hendry Review, the government has announced its new Industrial Strategy. Whether investing in innovation, boosting new technology skills, developing supply chains, moving to a low carbon economy, helping new sectors to flourish or creating maximum local strengths (particularly in Wales), we believe that tidal lagoons answer many ambitions in the ten pillars of our strategy.

But can we afford tidal lagoons? This was the question you raised in your reply (12/01/17) to my letter to the Chancellor.

The Review was clear that the government should not finance construction risk but instead pay a subsidy on the energy generated, as with nuclear power. It estimated that on a 'Contract for Difference Equivalent' measure the pathfinder tidal lagoon would cost 31p (or around half a pint of milk) per household per year for the first 30 years. It believed this a small price to pay to unlock future large-scale projects (Cardiff, Newport etc.) that would be very cost competitive with both nuclear and offshore wind.

On average the report found that tidal lagoons after the pathfinder should cost an average of 49p per household p.a. for the first 60 years, with the same nuclear output costing £1.40. With the promise of extremely cheap power after 60 years, tidal lagoons actually require less subsidy per MWh over their lifetime than any other technology.

As the world's leaders of offshore wind technology, we're now rightly reducing taxpayer subsidies in that sector. We believe we should do the same thing with tidal lagoons - support the development of new technologies and allow them to stand on their own feet later, having established a successful and important addition to our energy mix.

A government with an industrial strategy now has an opportunity to put that into practice and commission the world's first ever tidal lagoon. So do we go for it – or do we wait for another more determined nation to lead?

Chares Hendry was clear that the pathfinder should operate for at least a year before any further decisions are taken on the larger lagoons. There is no open ended commitment in commissioning a pathfinder.

We therefore urge you to respond to the Hendry Review recommendations and start negotiations for a pathfinder tidal lagoon in Swansea as soon as possible.

Yours ever
Richard

MP for Gloucester
Chair of the All-Party Parliamentary Group on Marine Energy and Tidal Lagoons

We, the undersigned, support the contents of this letter:

1. Albert Owen MP
2. Alec Shelbrooke MP
3. Alex Chalk MP
4. Alex Cunningham MP
5. Alistair Carmichael MP
6. Andrew Bingham MP
7. Angela Smith MP
8. Angus MacNeil MP
9. Anne Main MP
10. Ben Bradshaw MP
11. Ben Howlett MP
12. Bernard Jenkin MP
13. Byron Davies MP
14. Caroline Flint MP
15. Caroline Lucas MP
16. Carolyn Harris MP
17. Catherine West MP
18. Cheryl Gillan MP
19. Chris Bryant MP
20. Chris Davies MP
21. Chris Evans MP
22. Claire Perry MP
23. Clive Betts MP
24. Daniel Zeichner MP
25. Danny Kinahan MP
26. David Amess MP
27. David Davies MP
28. David Hanson MP
29. David Warburton MP
30. Gary Streeter MP
31. Geraint Davies MP
32. Gerald Howarth MP
33. Gerald Jones MP
34. Gordon Henderson MP
35. Hugo Swire MP
36. Hywel Williams MP
37. Ian Liddell-Grainger MP
38. Ian Lucas MP
39. Ian Murray MP
40. Jake Berry MP
41. James Davies MP
42. James Gray MP
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