



10 DOWNING STREET

Prime Minister ②

To note

- (i) limited scope for
"overburn"
- (ii) the Chancellor's private
generating capacity idea
is not worth pursuing
- (iii) coal imports to Thameside
stations could be raised but
for industrial relations
reasons it seems better to
hold off and see how
efforts to move stock go.
- (iv) the estimate of movements
in the recovery has been
raised to 2.15 mt a week.

[Handwritten signature]

[Handwritten initials]

4/7

SECRET AND PERSONAL

P.01333

MR TURNBULL

POWER STATION ENDURANCE: OTHER SUGGESTIONS

I have minuted you separately today with a copy of the MISC 57 Report on extending power station endurance by moving NCB stocks at working pits and opencast sites. In this minute which is not copied to other Ministers' offices I am providing some comment for the Prime Minister on three other suggestions which have recently been made for extending power station endurance:

- i. by "overburn" of oil in coal-fired power stations so as to reduce coal consumption;
- ii. by using under-employed private generating capacity;
- iii. by coal imports.

2. The suggestion about "overburn" was made by the Secretary of State for Scotland because there is a special design feature at the Longannet power station to boost output from coal-fired sets by burning heavy fuel oil. It is already planned to take full advantage of this facility so that there can be maximum export of electricity from Scotland to England through the interconnector while still enabling the endurance of Scottish power stations to match that of the CEGB. Putting aside the exceptional case of Longannet there is some limited scope for CEGB coal fired power stations to conserve coal stocks by burning more lighting-up oil. The main practical constraint is the delivery of lighting-up oil which can more easily be secured at coastal than at inland stations. The CEGB intends to pursue this possibility so far as is practicable without detriment to adequate deliveries and stocks of lighting-up

SECRET AND PERSONAL

SECRET AND PERSONAL

oil for lighting-up purposes. This is expected marginally to increase endurance, perhaps by half a week.

3. The suggestion that unused private generating capacity could supplement the National Grid was made by the Chancellor of the Exchequer. We explored the scope for this in MISC 57 last week but the conclusion was that this was not a worthwhile option. We have to rule out the use of standby generators since these are designed to run for short periods only (for example to deal with interruptions to power supply); continuous running for any length of time would cause them to break down. This leaves private generating capacity (other than that which is coal fired) to the extent that it is not fully used by its industrial and commercial owners. Using such capacity to supply the National Grid would apparently be very expensive involving not just the net extra cost of burning oil rather than coal, which we are already incurring by maximum oilburn in power stations, but heavy penalties in loss of thermal efficiency from using plant designed for different purposes. Since the maximum theoretical saving of coal by this means is estimated at about 1 million tonnes, extending endurance by only about a week, this option does not seem worth pursuing. The Chancellor has had a word with me and his own officials and agrees with this view. The Department of Energy can however provide further details, if required.

4. On coal imports for power stations, the CEGB has not yet pursued this option. Except for the four coal-fired power stations in the Thames estuary, any imported coal would have to pass through the smaller ports where it might displace useful imports of coal for industrial and domestic use and would compete with home-produced coal for the available road delivery capacity to power stations. It would be logistically possible to deliver some 70-100,000 tonnes a week by sea to the four Thameside stations, thus extending endurance (if the operation were to start now, in addition to the operation to move NCB stocks) from early March until late April. There is however the risk of provoking a loss of cooperation from power

SECRET AND PERSONAL

station workers in handling road-borne deliveries and in maintaining maximum oilburn. The CEGB has so far judged that it would not be prudent to take this risk. It would certainly seem preferable to give first priority to mounting an effective operation to move NCB stocks on the lines indicated in the MISC 57 report and to defer consideration of this option until that operation has been firmly established.

5. Finally the Prime Minister may find it helpful to know where we stand on the recovery period. Work has been done on the scope for increasing coal movements to power stations after the strike ends, with a view to building up endurance against a further strike so far as possible by this means rather than relying on continuing extra oil burn, with its additional cost. It has now been established that it should be possible on certain assumptions to increase the weekly rate of deliveries during the recovery period to about 2.15 million tonnes a week, about 300,000 tonnes above the previously assumed weekly maximum of 1.85 million tonnes. This should make the rebuilding of stocks considerably easier than we had thought. The work cannot usefully be taken further until we can better assess when the strike is likely to end, the degree of cooperation to be assumed, and the period which may be available for rebuilding endurance against a further strike.

PLG
P L GREGSON

4 July 1984

SECRET AND PERSONAL

Ref. A084/1904

PRIME MINISTER

If you wish to curtail discussion, you may want to concentrate on (ii). AG has already applied for judicial review.

AG 4/17

Cabinet: Industrial Affairs: Coal

You will wish to ask for reports from:

- i. the Secretary of State for Energy
on the NCB/NUM talks and related publicity;
on the number of pits and miners working.
- ii. the Home Secretary
on the attempt by the South Yorkshire Police Authority to impede the operations of the Chief Constable and the steps being taken by the Government (indemnification by the Home Secretary and the Attorney General's application for a judicial review and an injunction).
- iii. the Secretary of State for Transport
on road and rail movements (although BR is reported as being more optimistic, the figures for coal trains this week up to Wednesday are no higher than last week and considerably lower than the levels in May and early June, even if the trains to Llanwern and Ravenscraig are left out of the comparison).
- iv. the Secretary of State for Trade and Industry
on the position of the British Steel Corporation.

Next Meeting

2. The next meeting of MISC 101 has been arranged for 4.30 pm on Monday 9 July.

RA

ROBERT ARMSTRONG

4 July 1984

SECRET AND PERSONAL



34 J. J. L.

10 DOWNING STREET

From the Private Secretary

Mr. Gregson

Power Station Endurance: Other suggestions

The Prime Minister has seen your minute to me of 4 July. She has noted the limited contribution which can be made by "overburn"; that the suggestion that unused private generating capacity could supplement the national grid does not seem worth pursuing; and that, for the time being, no attempt should be made to import coal directly to the Thameside power stations. The Prime Minister was pleased to note that the estimate of the maximum rate of deliveries to power stations in the recovery period has been raised.

AT

5 July, 1984.

SECRET AND PERSONAL