

Grande Porto

The Last of the Scuts

Nigel Purse

Introduction

The SCUT Grande Porto brought down the curtain on the Portuguese SCUT (shadow toll) road programme in September 2002. Its importance stems not so much from the project itself – although at €841 million it proved to be grand in most respects – but rather from what it exemplified about the success of the seven-strong SCUT programme and because it illustrates all the key issues which surrounded them. In all, the €5 billion raised as part of the programme demonstrates a scale of investment in concession-based privately financed road building that no other European country has aspired to and no other country in the world has achieved.

The SCUT Grande Porto

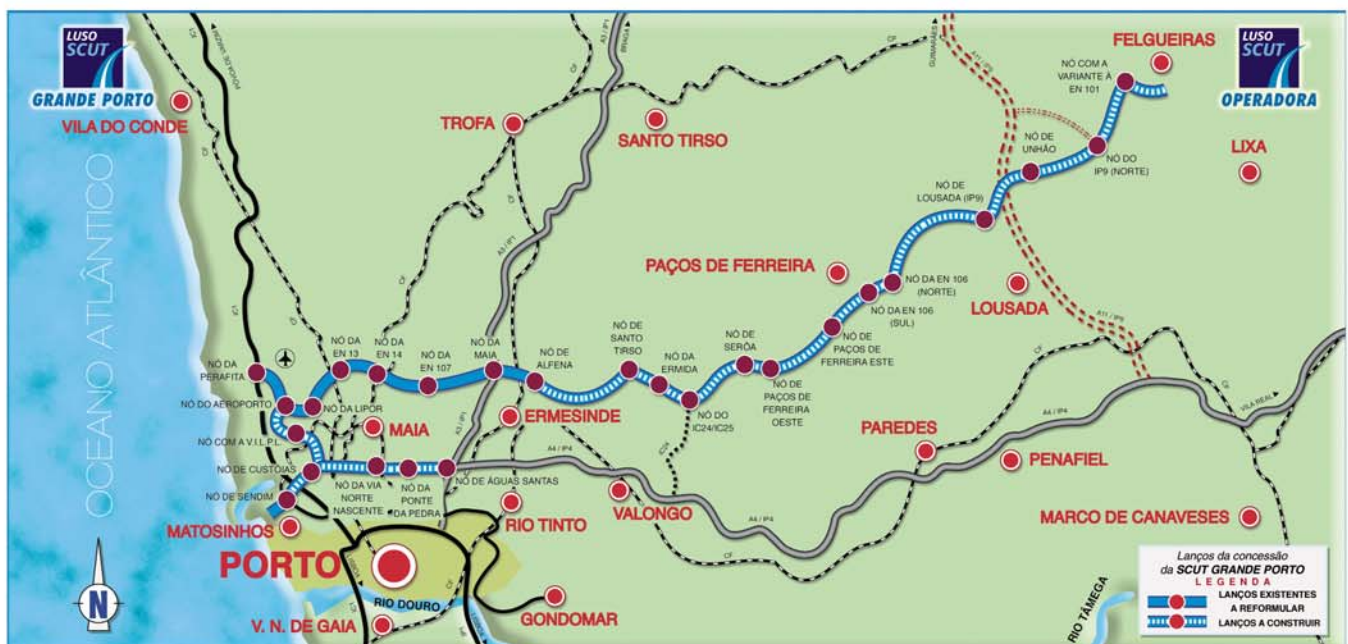
The Portuguese government defined as the

objectives of the original six SCUT programme (one was added later) in 1997 the following aims:

- the reduction of regional differences by providing advanced road infrastructure in areas of low coverage;
- the acceleration of the National Roads Plan;
- minimisation of the financial contribution of the State; and
- the sharing with the private sector of the benefits and risks of the investment.

All have been met by the programme; particularly the last, which has now led to the commencement of other PPP structures in Portugal, most notably in two prisons projects and 10 hospital deals.

The defining characteristic of the SCUT Grande Porto is its physical nature: it is a network of roads, much of it of an urban nature, to the North and East of Porto, a region of 1.2 million people. The 64 kilometre project is divided into four distinct parts, as shown on the map. The first is the construction of a new motorway, the IP4, between Matosinhos, near the airport, and the existing IP4. The second part involves the maintenance and widening of the existing IC24 motorway. The third is the construction of another new motorway, the IC25 in an easterly direction to Felgueiras. The final part of the road is the construction of a short link, north-south, between the IP4 and the IC24. The purpose of the road is both obvious and important to Portugal as a whole. Current congestion levels in and around the city are, particularly at peak



UK Renewable Energy Report

A Cloudy Energy Future

Ian Fells

“For now we see through a glass darkly.....” 1 Corinthians 13.1

In 1982 Nigel Lawson, then Secretary of State for Energy, gave a celebrated speech in Cambridge where he stated “energy is a traded good.....the job of government is to remove distortions in the market place”. He went on to add gratuitously “searching for an autonomous energy policy is like hunting the snark”. Ever since then UK energy policy has relied on a liberalised, competitive energy market “which will ensure diverse and sustainable supplies at competitive prices”. There have been successes and failures, the price of electricity has been driven downwards by draconian regulation until it is much as it was in real terms thirty years ago, but R and D in energy has been a major casualty and the “dash for gas” is steadily eroding diversity of supply.

Global Warming

Abandoning control of energy policy to the market place has raised a number of problems. The last decade has seen the weather machine becoming steadily destabilised due to global warming and, in particular, increased emissions of carbon dioxide from burning fossil fuels. Unfortunately the market values the environment at zero and will throw into it whatever it can get away with unless stopped by legislation or encouraged not to by the use of fiscal incentives. This involves substantial intervention rather than the removal of “distortions in the market place” called for by Nigel Lawson.

White Paper

The long awaited White Paper, purporting to provide an energy strategy which will

lead us through the next 50 years to a low, or even zero, carbon economy, leaves much to be desired. It is both timid and reckless. Reckless, in that the very large role suggested for renewable energy, as much as 20 per cent of electricity by 2020 (although this target from the PIU report has been “softened” in the White Paper) although laudable, may not be achieved. Real

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engineering analysis and cost of this possibility has yet to be assessed. Timid in its approach to nuclear power, which is left in limbo with the tiny hint of encouragement that if new build becomes economic its future will be reassessed (in fact only a modest increase in the price of natural gas would achieve this). Timid also in its approach to implementing a carbon tax, and to the problem of transport. When it comes to security of energy supply it is reckless in its complacency relying on rapidly increasing imports of natural gas from politically unstable parts of the world.

The strategy outlined in the White

Paper, together with the recent hint from the Secretary of State that nuclear plants will probably be replaced by gas-fired power stations, means that even meeting Kyoto commitments will be difficult to achieve for the UK. The reduction in carbon dioxide emissions by 20 per cent promised by 2010 is most unlikely to be achieved, and any move to a low or zero carbon economy impossible. The Government’s stated priorities for UK energy strategy are protecting the environment and security of supply; it is difficult to see how the proposals in the White Paper will achieve either of these goals.

Renewable Electricity

Ten per cent of electricity is to come from renewable sources by 2010 and around twenty per cent by 2020. The current figure is 2.8 per cent, most of which comes from large-scale hydro plants or burning waste such as landfill gas. It is expected that the increase will be largely provided by wind – both on and off shore – and biomass, as there are no large scale hydro sites remaining in the UK. Engineering analysis of this proposition seems to have been minimal; indeed, any attempts at ‘energy arithmetic’ seem not to have been attempted. For example, if all the wind farms currently operating in the world were to be put on the South Downs (hills in the south east England), assuming planning permission could be obtained they would generate only 15 per cent of UK electricity, which is less than the aspirational target for the UK alone for 2020. To produce 20 per cent of UK electricity, largely from wind, would require twenty, 2MW machines to be installed every week between now and 2020, most of them offshore. In Denmark, the Horns Rev offshore field is being completed 11km out into the North Sea using the latest