A surge of investment in new energy sources will be needed to ensure our energy security and reduce reliance on fossil fuels in the decades ahead, Chris Huhne said today. The Government has launched the consultation on the coalition's revised draft national policy statements on energy. They show that we expect over half the new energy generating capacity built in the UK by 2025 to come from renewable sources. A significant proportion of the remainder will come from low carbon sources such as nuclear and fossil fuels with carbon capture and storage.

The statements confirmed eight sites as potentially suitable for new nuclear power stations and ruled out three sites for the development of new nuclear power by 2025. This came alongside the publication of the feasibility study into a tidal energy project in the Severn estuary.

As part of a package of announcements to provide certainty across the nuclear industry, the Secretary of State also:

- announced the Regulatory Justification of two new nuclear reactor designs – Westinghouse's AP1000 and Areva's EPR;
- set out more detail on what will be required from new nuclear developers in terms of clean-up; and
- provided further detail on the Government's policy of no subsidy for new nuclear power.

Chris Huhne, Secretary of State for Energy said: "I'm fed up with the stand-off between advocates of renewables and of nuclear which means we have neither. We urgently need investment in new and diverse energy sources to power the UK. We'll need renewables, new nuclear, fossil fuels with CCS, and the cables to hook them all up to the Grid as a large slice of our current generating capacity shuts down. The market needs certainty to make this investment happen, and we are determined to clear every obstacle in the way of this programme.

"So today we are setting out our energy need which will help guide the planning process, so that if sound proposals come forward in sensible places, they will not face unnecessary hold-ups. And I am making clear that new nuclear will be free to contribute as much as possible with the onus on developers to pay for the clean-up".

The Severn study – published today - found that there was no strategic case for major public sector investment in a large-scale energy project in the Severn estuary at this time. It would be very costly to deliver and very challenging to attract the necessary investment from the private sector alone.

The Severn Tidal Power feasibility study showed that a tidal power scheme in the Estuary could cost in excess of £30bn, making it high cost and high risk in comparison to other ways of generating electricity. The report did recommend that a Severn tidal project should not be ruled out as a longer term option if market conditions change, but noted significant uncertainty over complying with regulation and that a scheme would fundamentally change the natural environment of the estuary.

Commenting on the Severn study, Chris Huhne added:

"The study clearly shows that there is no strategic case at this time for public funding of a scheme to generate energy in the Severn estuary. Other low carbon options represent a better deal for taxpayers and consumers.

"However,with a rich natural marine energy resource, world leading tidal energy companies and universities, and the creation of the innovative Wave Hub facility, the area can play a key role in supporting the UK's renewable energy future."