

[Press release: Independent review to ensure energy is affordable for households and businesses](#)

An independent review into the cost of energy led by Professor Dieter Helm CBE will recommend ways to keep energy prices as low as possible as part of the Industrial Strategy, Business and Energy Secretary Greg Clark announced today.

Professor Dieter Helm, one of Britain's leading energy experts, will look specifically at how the energy industry, government and regulators can keep the cost of electricity as low as possible, while ensuring the UK meets its domestic and international climate targets.

This ambitious review builds on the commitment made in the [Industrial Strategy green paper](#) and will consider the whole electricity supply chain – generation, transmission, distribution and supply. It will look for opportunities to reduce costs in each element and consider the implications of the changing demand for electricity, including the role of innovative technologies such as electric vehicles, storage, robotics and artificial intelligence.

The ambition is for the UK to have the lowest energy costs in Europe, for both households and businesses.

Business and Energy Secretary Greg Clark said:

All homes and businesses rely on an affordable and secure energy supply and the government is upgrading our energy system to make it fit for the future. We want to ensure we continue to find the opportunities to keep energy costs as low as possible, while meeting our climate change targets, as part of the Industrial Strategy.

The review will consider how we can take advantage of changes to our power system and new technologies to ensure clean, secure and affordable supplies over the coming decades. Professor Helm will bring invaluable expertise to the review, and I look forward to seeing his recommendations.

Professor Helm is one of Britain's leading energy experts, a Professor of Economic Policy at the University of Oxford and a Fellow in Economics at New College Oxford, and a former member of the Council of Science and Technology, advising the UK Prime Minister from 2004 to 2007.

Professor Dieter Helm CBE said:

I am delighted to take on this Review. The cost of energy always matters to households and companies, and especially now in these exceptional times, with huge investment requirements to meet the decarbonisation and security challenges ahead over the next decade and beyond. Digitalisation, electric transport and smart and decentralised systems offer great opportunities. It is imperative to do all this efficiently, to minimise the burdens. Making people and companies pay excessively for policy and market inefficiencies risks undermining the objectives themselves.

My review will be independent and sort out the facts from the myths about the cost of energy, and make recommendations about how to more effectively achieve the overall objectives.

The government is already taking action, and has [asked the regulator to come forward](#) with proposals to extend the price protection currently in place for some vulnerable energy consumers to more people on the poorest value tariffs. This builds on action taken to cap the price for 4 million pre-payment meter customers which came into force on 1 April 2017.

There are also a number of schemes in place to reduce energy bills by improving energy efficiency, such as the [Energy Company Obligation](#) which will upgrade 200,000 homes each year and help tackle fuel poverty. For business, the package of relief for [energy intensive industries](#) was worth £260 million last year and there are financial incentives to switch to cleaner fuels and processes.

This review will consider the electricity system as a whole and make recommendations on how to deliver affordable energy over the coming decades. It follows the plan set out in July by government and Ofgem for a [smarter energy system](#) and the commitment to ensure Britain's energy costs are as low as possible.

An advisory panel will support the reviewer by providing expert insights in a personal capacity:

- Terry Scuoler CBE, Chief Executive of EEF, the Manufacturers' Organisation
- Nick Winser CBE, Chairman of the Energy Systems Catapult
- Laura Sandys, Chief Executive of Challenging Ideas
- Isobel Sheldon, Engineering & Technology Director of Johnson Matthey Battery Systems
- Richard Nourse, Managing Partner of Greencoat Capital LLP

Notes to editors:

1. The commitment to review the cost of energy was set out on page 94 of the [Industrial Strategy Green Paper](#)
2. Ofgem figures show the main costs of supplying a typical domestic

customer are 4% lower than at January 2015.

3. The Terms of Reference of the Review are set out below:

- The government has the ambition for the UK to have the lowest energy costs in Europe, for both households and businesses.
- The UK was the first country in the world to set a long-term, legally binding target for emission reduction. The Climate Change Act commits the UK to reduce emissions by at least 80% by 2050, and sets a framework for the setting of rolling five-year carbon budgets. Parliament has recently approved the 5th carbon budget, for the period 2028-2032, at a 57% reduction on 1990 levels.
- The carbon targets need to be met, whilst concurrently ensuring security of supplies of energy, in the most cost-effective way. The rapid closure of coal, the aging of the existing nuclear fleet, the intermittency of some renewables, the scope for demand management and new storage, the coming of electric vehicles and the timing of future nuclear capacity coming on stream will be taken into account in considering how best to meet the overall objective of system security of supply.
- The specific aim of this review is to report and make recommendations on how these objectives can be met in the power sector at minimum cost and without imposing further costs on the exchequer. In that context the review will consider the implications of the changing demand for power, including from industry, heat and transport.
- The review will report on the full supply chain of electricity generation, transmission, distribution and supply, and consider the opportunities to reduce costs in each part, taking into account the roll-out of smart meters and the work already underway to underpin the transition to a smarter energy system.
- The review will set out options for a long term road map for the power sector, and consider how technological change in the wider economy, as well as in the energy sector, may transform the power sector, and how energy policy can best facilitate and encourage such developments, consistent with the overall objectives of decarbonisation and security of supply, and with its industrial strategy.
- The review will consider the options for enhancing and extending

the scope for auctions and other competitive mechanisms, and for reducing the complexity across the full supply chain of electricity generation.

- The review will consider the key factors affecting energy bills, including but not limited to energy and carbon pricing, energy efficiency, distributed generation, regulation of the networks, and innovation and R&D. The review will not propose detailed tax changes.
- The review will focus on system issues and will not comment on the status of individual projects.
- The review will provide recommendations as to how best minimise the costs of energy consistent with the overarching objectives, taking account of the costs and benefits of the recommendations. It will set out options for developing and enhancing energy policy. Where the issues the review covers fall to other players, for example Ofgem, it will make recommendations about how government can best work with them to reduce costs.
- The review will report at the end of October 2017.

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[Professor Dieter Helm – declaration of interest](#)

(PDF, 10KB, 1 page)

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Notice: LN1 2YQ, W & A C Rose (Farms) Limited: environmental permit issued

The Environment Agency publish permits that they issue under the Industrial Emissions Directive (IED).

This decision includes the permit and decision document for:

- Operator name: W & A C Rose (Farms) Limited
- Installation name: Big Drome Farm
- Permit number: EPR/XP3130DC

Notice: TS10 4YA, ENGIE Services Limited: environmental permit issued

The Environment Agency publish permits that they issue under the Industrial Emissions Directive (IED).

This decision includes the permit and decision document for:

- Operator name: ENGIE Services Limited
- Installation name: Wilton Energy Centre
- Permit number: EPR/MP3131RW/A001

Notice: 0X14 4PW, FCC Environment (UK) Limited: environmental permit issued

The Environment Agency publish permits that they issue under the Industrial Emissions Directive (IED).

This decision includes the permit and decision document for:

- Operator name: FCC Environment (UK) Limited
- Installation name: Sutton Courtenay Materials Recycling Facility
- Permit number: EPR/NP3890VV/V004

Press release: Flood defences put to the test in Northwich

A selection of temporary and permanent flood barriers, which would be deployed in emergencies, have been put to the test in Northwich.

100 metres of demountable defences were erected and 14 flood gates were closed as part of a live training exercise by the Environment Agency throughout the town centre on Thursday 20th July.

The exercise is the first time the full set of defences, which can be

deployed within three hours, have been tested since the launch of the new Northwich flood alleviation scheme last month.

Over the course of the exercise, Environment Agency teams installed and took down demountable defences to practice their emergency plan for the town and ensured the rapid deployment of the additional flood barriers were in good working order.

The operation gave the agency workers valuable experience on the deployment of the equipment and significantly tested its response to future flooding.

Flood Manager at the Environment Agency, Christian Wilcox said:

The £7 million Northwich flood alleviation scheme reduces the flood risk to around 400 homes and businesses throughout the town. Therefore, it was fantastic to see the full set of demountable defences brought into effective action for the first time.

This was a major test of our operational equipment and allowed us to train up the teams who will work on deploying these defences.

Part of the flooding that Northwich has previously experienced has come directly from the River Dane and we were pleased to see that our road closure at Dane Bridge, during the test of the defences, worked extremely well and would provide a good level of signage and a viable alternative route when we need to deploy the defences in earnest.

Overall, it was great to see our practical strategies for flood protection put into action, via our joint working with the Cheshire West and Chester Council who organised the road closure. I hope such collaborative emergency response plans will give reassurance to residents in Northwich but, it is important to remember that we can never fully protect against flooding.

Residents should always prepare in advance for this by going online at www.gov.uk and signing up for free flood warnings. Alternatively, they can telephone the Environment Agency Floodline on 0845 988 1188 and find out what they can do to protect themselves and their property when flooding hits.