

Great British Energy

Mr Miliband's desperate letter to National Grid seeking urgently a way to decarbonise U.K. electricity generation by 2030 and asking for the costs is very worrying. He spent 14 years in Opposition studying public policy. He set out how a faster drive to net zero would be central to Labour's policy. He told us it would drive growth and bring us plenty of new cheaper renewable power, cutting our fuel bills. Now he reveals he never worked out how you could do it or how much it would cost.

This revelation doesn't just undermine Mr Miliband. It demolishes the central plank of the governments economic, energy and jobs strategy. How can National Grid reply without revealing three truths. There is no way the U.K. can fully decarbonise its electricity by 2030. The cost in investment money would be colossal. With big subsidies energy will be dearer not cheaper.

To get to net zero power generation the U.K. needs to replace the 4.8 GW of nuclear that is closing, and replace the gas turbine power which can be as much as 20 GW on a no wind or sun time. It needs to find a way to have enough renewable power to cover these huge losses even when there is little wind or sun. Without gas fired backup that needs an unplanned large amount of storage or hydrogen conversion. The latest bidding round has not provided nearly enough renewable power when you allow for the governments view that solar only delivers 12% of rated capacity and wind around 30%.

Replacing more than half our current generation costs tens of billions , as would putting in sufficient storage and a new hydrogen system, along with grid expansion. Dogger Bank wind farm was to cost £11 bn and would be considerably dearer starting today for 3.6 GW of gross capacity or maybe 1.4GW of average power. Hinckley Point for 3.2 GW of power will be over £40 bn. So 20 GW of replacement generation would be say £200 bn plus costs of grid and storage. Energy prices would need to increase with many more high price guarantees to bring forward the investment. £8.3 bn over five years from Great British Energy would make little difference given the vastness of the task.