

Letter to Net zero Secretary

Dear Grant

I am glad you have decided that it makes sense to grant licences to get more oil and gas out of the North Sea instead of importing more. As you say, that means more tax revenue collected here, more better paid UK jobs, less transport costs and less CO₂ for the world as whole. LNG is particularly CO₂ intensive compared to domestic piped gas given the amount of energy needed to compress, cool, transport and convert back to gas.

The same logic should apply to other areas where some want to stop the UK making materials and products that entail substantial fossil fuel energy use. If instead of making them here we just import them, world CO₂ production will increase by at least the amount created by transporting them longer distances and in some cases by the less fuel efficient processes in overseas factories.

The imposition of high carbon taxes in the UK is closing factories here to transfer the jobs and energy consumption elsewhere. It would be a good idea to reduce our taxes on industry using energy to stem our losses of plant and activity. To get inflation down we need to produce more, not less.

The UK also needs to cut down on public spending and borrowing, whilst ensuring enough money well spent to provide better quality public services. The energy money go round is a good area to look into. Subsidies chase windfall and carbon taxes, as government tries to offset the damage done by high taxes leading to uncompetitive energy harming business. We need to disarm both the excessive taxes and the consequential subsidies.

I understand the government and Opposition wish to lead in green transition technologies. We are still in the early stages of a world debate about whether transport and industry should shift all electric, or go to hydrogen, or to fossil fuels with carbon capture and storage. We are still seeking the affordable popular electric vehicles that more people want to buy and can buy. We are in the early phases of trying to find non fossil fuel heating systems for homes that are affordable and good. There are still big debates to be resolved about how you store wind and solar energy for times when the wind does not blow and the sun does not shine. What combination of pump storage, hydrogen and battery storage or other methods will be needed?

These are world issues. The answers have to work in the big CO₂ producing areas, China, the USA, India and the EU as well as in the UK, otherwise your efforts will be of no avail. The UK government should not be trying to fund all these technologies itself before it has a clear idea of the winners and the industries are closer to commercial roll out. The UK should avoid spending so much on say carbon capture and storage before the world commercial interests have got further. The UK is good at raising capital and can incubate many starts up and ventures that might be able to come up with the right answers to these energy issues. The UK government is unlikely to

pioneer commercial successes on the back of large financial commitments to projects with no current stream of underlying customer revenue.

Yours

John