

Making energy cheaper

The Liz Truss team have said they want to ease the energy squeeze. They like the ideas of lower taxes and the removal of needless or excessively costly regulation. Energy would be a good place to start.

Let us consider first of all the £16bn or more cost of fitting a smart meter in every home for electricity. Indeed total roll out may well cost more, given the reluctance of almost half the population to have one and the troubles with how the early ones worked. The idea is to charge the mounting costs to all bill payers.

Whilst electricity is this dear why not pause the programme? By all means fit one where the householder is keen and applies willingly for one, but save all the promotional money and conversion costs where people need to be talked into it.

Then there are the green levies. It is a good idea to cease charging these direct to bill payers for a bit. More importantly going forward the grid controllers should only sign contracts for renewables that can deliver affordable energy without subsidy. This should be easy at current gas prices.

Large scale energy intensive industry has to buy carbon permits over an initial and reducing free allowance. Designed to cut fossil fuel use by industry, it can end up closing plants in the U.K. only to import more from abroad. The imports will often generate more CO₂ than relying on domestic production given transport costs and more reliance on coal in China and Germany. So why not suspend this scheme whilst U.K. energy prices remain so elevated? How many high energy using businesses will we lose if we carry on with dear gas and carbon penalties?