

My questions to Ministers at the Department for Business, Energy and Industrial Strategy

The government declined to answer some of these important questions about energy and industrial competitiveness. They failed to acknowledge how much cheaper US gas is at home thanks to a better energy policy there. They claim not to know much about petrochemicals. They do not explain why they failed to abate the high carbon price to offer some relief on energy costs.

The answers provided do remind us how much capacity and business we have lost through high energy prices in areas like steel. They imply there will be more electricity capacity added other than wind and solar, but that includes more imports from unreliable European sources. It is difficult reconciling these figures with the figures they supplied and I published showing no planned increase in electricity before 2025 and then slow progress up to 2030. I would be more reassured with more information that was internally consistent.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what proportion of petrochemicals consumed in the UK are imported. (110222)

Tabled on: 24 January 2022

Answer:

Lee Rowley:

Consumption of imported petrochemicals cannot be estimated due to the lack of official data on imports, re-exports and consumption of these products.

The answer was submitted on 01 Feb 2022 at 16:56

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what proportion of steel consumed in the UK is imported. (110221)

Tabled on: 24 January 2022

Answer:

Lee Rowley:

According to the latest world steel association data, in 2020 the UK consumed 9.0Mt of steel of which 5.0Mt (55%) was imported. In 2019 the UK consumed 10.2Mt of steel and imported 7.3Mt (72%).

The answer was submitted on 01 Feb 2022 at 16:57.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what estimate he has made of demand for electricity from the UK transport sector in 2030 compared to 2022. (110219)

Tabled on: 24 January 2022

Answer:

Greg Hands:

The figures below show the Department's latest published projections of electricity consumption in the transport sector for the years 2022 and 2030 in thousands of tonnes of oil equivalent (ktoe).

2022	2030
Transport (ktoe)	Electricity 564 1,614

The answer was submitted on 01 Feb 2022 at 17:50.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what increase in UK electricity generating capacity is planned by 2030 excluding wind and solar power energy. (110218)

Tabled on: 24 January 2022

Answer:

Greg Hands:

Our latest published Energy and Emissions Projections show 31 gigawatts (GW) of new non-renewable capacity are projected to be built between 2022 and 2030. Non-renewable capacity includes nuclear, fossil fuel, interconnector and storage capacity and excludes bioenergy, hydro, wind and solar.

The government are not targeting a specific capacity mix but will ensure a market framework to bring forward the necessary capacity whilst promoting effective competition to deliver an affordable, secure, and reliable system consistent with our decarbonisation objectives.

The answer was submitted on 01 Feb 2022 at 17:51.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what estimate he has made of electricity demand from domestic heating in 2030 compared to 2022. (110220)

Tabled on: 24 January 2022

Answer:

Greg Hands:

BEIS regularly publishes projections of energy demand and emissions, including projections of electricity demand in the residential sector. The most recent update (Net Zero Strategy baseline: partial interim update

December 2021) was published on 7th December 2021.

In this update, electricity demand in the domestic sector in 2030 is projected to be 116 TWh (terawatt-hours), compared to 101 TWh in 2022. Projections for the component of this demand that is due to domestic heating are not available. These projections only consider policies which have been classified as implemented, adopted, planned, or expired as of August 2019, as specified by international reporting guidelines.

These figures are based on central estimates of economic growth and fossil fuel prices and have been extracted from BEIS Energy and Emissions Projections: Net Zero Strategy baseline (partial interim update December 2021) Annex F: Final energy demand.

For additional detail on the recent update to energy demand and emissions projections, please see:
<https://www.gov.uk/government/publications/energy-and-emissions-projections-net-zero-strategy-baseline-partial-interim-update-december-2021>

The answer was submitted on 01 Feb 2022 at 17:53.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, for what reason he has not abated the carbon price in response to changes in the level of carbon price. (110215)

Tabled on: 24 January 2022

Answer:

Greg Hands:

Following the triggering of the UK Emissions Trading Scheme's Cost Containment Mechanism, the UK Emissions Trading Scheme Authority (made up of the UK Government, Scottish Government, Welsh Government and Northern Ireland Executive) considered the factors that may have affected allowance prices, and agreed that not intervening in the UK Emissions Trading Scheme was the right course of action in both December and January. The Authority issued a statement after both decisions, with its reasons, on gov.uk.

The answer was submitted on 01 Feb 2022 at 17:54.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what comparative estimate he has made of industrial gas prices in the (a) UK and (b) US. (110217)

Tabled on: 24 January 2022

Answer:

Greg Hands:

Gas prices have risen across the globe as a result of a number of international factors in supply and demand, with many markets across Europe

and Asia experiencing highs. These have been caused by a number of factors, industries rapidly rebounding demand, as economies exit COVID-19 lockdowns, liquified natural gas demand in Asia, and supply outages over the summer.

The answer was submitted on 01 Feb 2022 at 17:57.

Question:

To ask the Secretary of State for Business, Energy and Industrial Strategy, what estimate he has made of the potential loss of UK businesses in high energy using sectors as a result of the current high gas and carbon prices. (110216)

Tabled on: 24 January 2022

Answer:

Greg Hands:

I recognise this is a worrying time for businesses facing pressures due to the significant increases in global gas prices and its impact on electricity and carbon prices. I have met representatives of the UK's high energy-using sectors to understand the impact on their business in the past months and extensive engagement with industry continues across government at both a ministerial and official level.

Many high energy-using businesses will have hedging strategies in place which help to shield them from exposure to the gas and electricity price rises, while some may be more reliant on current market prices.

The answer was submitted on 02 Feb 2022 at 07:22.