

My Speech on the Energy Bill

John Redwood (Wokingham, Conservative):

The wish to carry through a great electrical revolution will require a lot of good will from the British people. My worry about this legislation is that it may antagonise them by being unduly restrictive, particularly with the threat of civil and even criminal penalties on some of their conduct. We need to persuade people that the green products will be cheaper, better, more acceptable and make a more general contribution, and not try to bamboozle them. I hope that there will be an opportunity to vote on the amendments tabled by my hon. Friend the Member for South Thanet (Craig Mackinlay) to get rid of the threat of criminal and civil penalties over the issue of a proper transition.

For things to take off, the products—the heat pumps and the electric cars—will have to be much more popular. More people will have to believe in their specifications and adequacy, and they will have to be more affordable. I, for example, would be very happy to have a heat pump to heat my rather small London flat, but I am told that there is not one available because I am not allowed to adorn the outside of the block of flats with any of the things that a person would need to make a heat pump system work. There must be practical solutions to these problems. We cannot force the pace by legislation; the markets and the investment have to catch up.

My second worry about this legislation is that energy policy has to achieve three things at the same time. Yes, we have to take considerable environmental issues into account, but we also need affordable energy and we need available energy. In recent years, all main parties have put so much emphasis in their policy making on the environmental that we are missing the obvious, which is that we are no longer guaranteeing security of supply. We cannot guarantee security of supply if we are mainly relying on wind farms. We cannot rely on solar on a dark winter evening when people want to cook their meal and turn the heating up, because there is no solar. We have to look at the relative costs. The unit cost of energy generated by a wind farm that is already built is very cheap on one costing system, but if we have a gas turbine system that is non-operational for most of the time, only kicking in occasionally when the wind does not blow, that is part of the cost of the delivery of the wind power and it is a far more expensive way of running gas turbines than if we use them all the time.

Craig Mackinlay, (Member for South Thanet, Conservative):

My right hon. Friend is making an excellent point about the extra energy provision that we need to make renewables work. Has he considered the true environmental cost of the batteries, the digging up of cobalt by children in the Democratic Republic of Congo, the smelting and all the rest of it? That is the real cost of relying on renewables, and we hear very little about the real cost of the batteries.

John Redwood:

I am greatly in favour of doing proper, whole-life carbon accounting, taking into account all the CO₂ generated by making the green product—its lifetime use, on which it may be better, and its disposal, on which it may be worse. It is certainly the case that if we acquire an electric vehicle that has generated a lot of CO₂ in its production and then we do not drive it very much, we will have not a CO₂ gain but a CO₂ loss, so there must be realistic carbon accounting. We also should not fall for the national fallacy that is built into the international system. For example, we could say that we have brought our CO₂ down because we are importing things, but that actually generates a lot more CO₂ than had we done it for ourselves.

This is the essence of the argument about our own gas. If we get more of our own gas down a pipe, it produces a fraction of the CO₂ for the total process than if we import liquefied natural gas having had to use a lot of energy compressing and liquefying the gas, a lot of energy switching it back, and a lot of energy on long-distance sea transport. Therefore, we must be realistic in the CO₂ accounting.

Finally, I do not think that the Bill is giving us much guidance. For example, if the electrical revolution does take off, because the really popular products arrive and people find them affordable, how will they get the power delivered to their homes? We are already told that many wind farms cannot be started or cannot be connected to the grid any time soon. There needs to be a massive expansion of grid capacity and a big digging-up of roads and re-cabling of Britain. If my constituents are all to adopt an electric car and a heat pump, we need a massive expansion both of electricity generation and of grid capacity. I do not see that happening at the moment. There need to be market reactions and proper investment plans, and this legislation is not helping.

I fear that this Bill adds to the costs. It adds targets that could turn out to be unrealistic and that could be self-defeating, because quite often the actions taken to abate CO₂ end up generating more CO₂ at the world level and mean that we have exported an awful lot of crucial business that we would be better off doing here.