

## Power cuts and cheap energy

I am writing again to the new Secretary of State at the Business Department about our energy situation. I am asking him to reassert the priority of ensuring sufficient supply in the UK for our needs. We have become too reliant on imported electricity from the continent. They are embarking on closures of many nuclear stations and coal stations, are becoming more and more dependent on Russian gas, and may in the future have less surplus to send us. We can neither rely on their power being green enough nor always available for our needs. I also wish him to reconsider the issue of affordability. To tackle fuel poverty cheaper power is a big help. To attract and retain industry at home, a plentiful supply of good value electricity is essential. The importance of reliable supplies has just been underlined by the substantial outages in Texas at a time of very cold and snow filled weather.

It is important not to have the wrong policy for the sake of a mistaken way of calculating the carbon results of our actions. If we only count the carbon dioxide emitted by industry in the UK, and not the carbon from all the factories abroad making products to sell us, we will develop a policy which positively encourages the deindustrialisation of the UK. Many goods made in China are made using substantial quantities of gas and coal for direct fuel and to generate the electrical power also needed by the factories. It is false accounting to ignore all that but to penalise UK producers for using fossil fuels.

The UK may well be able to generate much more power from renewables. The government should be keen to encourage more capacity to be installed by organising the relevant auctions and putting in place the necessary policies. As it has big ambitions for electric cars and heating it needs to plan for a huge expansion of generation, as well as for the replacement of the ageing fleet of nuclear stations that are about to be retired. More biomass based on UK wood would be an option, as it generates reliable power. More water power from new barrages and from tidal interventions would be predictable. With the right auctions and rules it would be possible to strengthen our capacity and provide some competitive pressures on prices.