

The price of green policies

Yesterday I heard a short discussion on the media about the rising cost of renewables on the typical electricity bill. Some think it unfair that low income consumers have to pay the renewable surcharge alongside better off consumers. Others think it right as we are all users of power, and the cost has risen thanks to the renewable surcharge. Those who want to take the surcharge off lower income consumers either want the whole charge put onto general taxation as a subsidy to the power industry, or want means testing of the bills with reductions for low incomes.

This raises the bigger question of how much are people prepared to pay to go green. In Chile there were riots over higher charges that led to the last global climate change conference having to move to a different country to avoid the protests. In France the jilets jaune movement started as a protest over high fuel taxes imposed for green policy reasons. In the UK it was popular politics to suspend or cancel planned fuel tax increases.

As governments consider new tough targets for the next fifteen years they start to have more reality. They do mean according to their advocates the end of all diesel and petrol cars, the wholesale replacement of all conventional heating systems in people's homes, the complete electrification of the railways and the total greening of the electricity generation system within a few years. Given the increasing reliance on electrical power it will also require a substantial increase in generating capacity.

I would be interested to hear views on how much of these big investment and spending programmes should be paid for by the users and consumers, and how much from higher taxes on those same consumers. The polling points to a tension between the numbers who think we should do all these things, and the numbers who think they should help pay for it. This also has a bearing on the pace of change people want.