

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?

Competition is the best regulator

Ofgem has left us short of generating capacity and too dependent on imports. It seems the Regulator has been reluctant to see security of supply as a crucial prime requirement. There had been competition between the retail energy suppliers, but competition between different ways of generating power has been regulated heavily around carbon dioxide issues rather than relying on cost and price unsubsidised to be the main determinant.

Ofwat has left us short of water. Thev introduction of competition has been limited to supplying businesses and to the provision of service rather than to the costs of collecting and cleaning water. There is no great problem with moving to a competitive model. You would treat the pipe network as a common carrier with the company owners required to offer terms to other companies to

use pipe capacity. The Regulator could adjudicate disputes. Oil and gas pipes are commonly shared under commercial contracts.

The railways can also benefit from competitive challenge. Were the government to return the railways to the private sector by creating regional companies that owned and reunited track and trains there would need to be means to secure regular use of track for freight trains and long distance passenger services which cross company borders. The Hull train service was greatly improved by allowing a new challenger to provide better services.

Competition introduces more capital, service and productivity improvements and innovation. Monopoly stifles these things. Regulated monopolies leave us short of capacity.

[The public sector could save some energy to help us out](#)

Facing a winter of scarce energy the public sector could help us out by cutting its own substantial demands. This would save us money as taxpayers and leave more the available energy available for the homes that most need it and to keep business working without rationing.

Councils could review their street lighting and switch it off at times and in places where few people are out and about to need it.

All government offices could ensure through controls or caretakers that all electrical appliances are switched off early evening to avoid evening and night power waste.

Government officials could keep in touch with overseas governments more by on line meetings, to curb the number of jet flights needed.

Temperature and time controls on heating and cooling systems in buildings should be adjusted down where possible

More insulation should be included in public sector buildings.

Lights should be turned off when people leave offices for the evening.

Paying for energy

All the time we need to import energy we are at the mercy of world prices for oil and of regional prices for gas and electricity. As we mainly import from Europe we are pushed into high prices by the chronic shortfall of energy provision on the continent. That is why I have been urging more domestic supply and trying to get us to pursue self sufficiency.

Policy has now changed to seek to produce more gas and oil at home, to keep open coal power stations pending new replacements, to revive nuclear and to examine commercial exploitation of technologies that would allow storage and time shifting of wind energy.

The solution to dear energy is to produce more cheaper energy. The immediate crisis prices come from a deliberate gas shortage in Europe caused by Putin's economic warfare. The policy of encouraging electrification of transport and heating will require far more electrical generation than we currently manage, so we need to think through the pace of introduction. When assessing the true costs of different means of generating power we need to take into account costs of stand by and back up power.

The immediate need is a further package of measures to cut the cost of energy by reducing energy taxes, and to provide some offset to the loss of spending power from the increase in gas and electricity prices. It needs to ensure those on low incomes are looked after. What would you like to see in that announcement?

Letter to Leader of Wokingham Council about highways consultation

Dear Clive

Thank you for extending the period of this consultation. It is important more people are made aware of it given its significance for our community. I trust the Council will seek to make it better known in the days that remain.

The power and responsibility to make changes to our roads, cycleways

and paths rests with Wokingham Borough Council as the Highways Authority. The central government does not require you to make specific changes to roads or junctions and certainly does not want to see a policy of impeding the reasonable use of motor vehicles for people getting to work, to the shops, and to leisure facilities. Nor does it wish to see good access blocked for emergency vehicles, service providers and delivery vehicles.

As Wokingham is currently experiencing fast growth in population with a substantial rate of new housebuilding under our local plan it is most important that we expand road, cycleway and walking route capacities to meet the rising demand. I trust the Council will continue with the policy of putting in extra good road provision to bypass busy settlements and to remove dangerous road bottlenecks. It should also wish to ease congestion at junctions to reduce pollution, reduce tensions between different users of the roads and make for smoother and safer journeys. The government does provide additional money for suitable schemes for roads and cycleways but does not lay down where or how these should be introduced.

Yours sincerely

John Redwood

Rt Hon Sir John Redwood MP