

President Biden turns the USA green

Amidst the welter of new Executive Orders and statements of intent coming from the White House, there are several aiming to make the USA a global leader in the battle against fossil fuels. President Biden is a carbon warrior. He is cancelling a new oil pipeline, suspending new licences to drill in the Arctic, committing the USA to net zero carbon in power generation as early as 2035, and to complete net zero carbon dioxide output by 2050. He plans to double offshore wind power, promote electric vehicles, and persuade and regulate the oil and gas industry into a major transformation away from their principal business activities. It is a major shift from President Trump's policy of making the USA energy self sufficient, fostering a large expansion of the domestic oil and gas industries and aiming at re-industrialisation based on a plentiful supply of relatively cheap local fuel.

The statements so far are short on the detail of how such a huge transformation will be carried through and paid for. If the country is successful in talking people out of their diesel and petrol cars into electric ones they will need a large expansion of domestic electricity output at the same time as they are closing down all the fossil fuel power stations. There will be a need for substantial investment in new power cables, switching, transforming and relaying to each house. Each home will need improved capacity cables and supply to allow for the heavy demands of recharging electric vehicles. The grid will need access to considerable extra reserves of generating capacity to handle much higher peak demand levels. As much of the additional electricity capacity will be wind and solar there will also need to be substantial back up generators to avoid black outs when the natural power sources fail or go slow. Industrial USA will face Chinese competition which still has access to huge supplies of fossil fuel generated power, as China continues to add to her coal and gas stations. Will the USA be able to compete on price and on reliability of supply in this new world? Will the USA develop massive storage batteries or pump storage schemes to handle variable load power?

It will be interesting to see how far President Biden goes in introducing Federal capital and subsidy to bring about this new power world, and how much he seeks to do it by regulation and requirements on the network suppliers and power generators. He will need plans to make sure the USA does not run out of electricity when undertaking its electrical revolution, to make sure the electricity is affordable, and to ensure that they can arrange the supply to cater for peaks in demand as more Americans come to depend on electricity for their transport as well as for their space heating and much else.

The Green revolution remains a top down revolution on both sides of the Atlantic. We still await the iconic affordable cars, space heaters and other crucial products to bring this revolution into most people's homes. Meanwhile governments like the new US one wrestle with how far they should go with laws, bans and subsidies to try to depose King carbon. It looks as if it

is going to take a lot of US law and state spending to bring about this democrat vision in a country where many are committed to their vehicles.

Spending and value for money

I have always stressed when saying we can afford to borrow to offset the damage done by anti pandemic policies to the economy that we should not waste money or undertake spending the private sector can cover as it did pre pandemic.

The Business Department budget shows that it should be possible to reduce future outgoings whilst still doing a good job for the UK economy and business sector.

The Business department has a massive £175 bn of accumulated liabilities. Many of these are possible future payments to close down nuclear power plants and to subsidise wind and solar power. The Accounts may understate the possible outturn on contract for differences power costs, which are currently priced at £89.6bn by the Department compared to the more modest £16.5bn liability on the balance sheet.

All this needs managing to get value for money and to control outgoings.

1. Safety should of course be an absolute override, but it would repay study to examine the pace of the nuclear closure programme and the speed and incidence of remedial and recovery work thereafter. They currently assume 7 stations close 2023-30.

2. The Smart meter programme is costing a massive £20.1bn and is very unpopular with many users. Could this be rephased?

3. International contributions to climate change projects are in at £11.6bn. So far the public sector has contributed more than the private. Maybe it is time to demand greater leverage from the private sector? Surely emerging countries would prefer profitable projects?

4. £85.3bn of accumulated business support for CV 1 9 was necessary spending. As there are £69.1bn of loans, what is being assumed about repayment schedules once we have a proper economic recovery post vaccination? It is important the government makes sensible phased arrangements for recovery or for the transfer of these loans to banking sector.

5. CFD payments for renewable power . It is time for a value for money review of options as this is becoming a large contingent liability, particularly for new nuclear.

The Business Department budget is a reminder of just what a complicated nexus

of subsidies, regulations and interventions there are now are to keep the lights on and the factories turning.

Vaccinations

I am receiving a number of enquiries about why someone has not yet been vaccinated, along with examples of others of a similar age who have.

The local health service is well advanced with its vaccination programme and thinks it will hit the government targets. GPs say they will be sending out invitations to receive the vaccine to all those entitled, but there will of course be some who are vaccinated sooner and some later within the timetable set out given the large numbers involved. The aim of the local NHS is to use all the vaccine made available each day with stated appointments for those in the priority categories. I think it best that we let the NHS get on with it, as too many enquiries or complaints will add pressure when they need to put all their efforts into this large programme of vaccination.

The first four categories currently being invited in order are:

- 1 Residents in a care home for older adults and staff working in care homes for older adults
 - 2 All those 80 years of age and over and frontline health and social care workers
 - 3 All those 75 years of age and over
 - 4 All those 70 years of age and over and clinically extremely vulnerable individuals (not including pregnant women and those under 16 years of age)
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Trade with the EU

The EU has failed to approve the Astra Zeneca vaccine and have said they need to take more time to check it out. Now they are also saying that they want more of it delivered than the company can currently produce. That is a matter to be sorted out between the EU and the company. The EU then threatens to interrupt exports contracted by customers outside the EU as punishment for difficulties in supplying sufficient vaccine under another contract.

Supporters of the EU are always telling us they uphold the legal and international order. This looks like the opposite.

The EU are also making life difficult for business in GB, Northern Ireland and the Republic by their interpretation of rules and the Protocol. It is high

time the U.K. legislated to restore the integrity of the U.K. single market. No goods going to and from GB and Northern Ireland should face any additional impediments compared to transit of goods within GB. Any goods certified to travel onto the Republic from Northern Ireland can be treated in accordance with EU import requirements by agreement between the EU and U.K. or by the EU at their border.

Wokingham West PCN is one of the highest performing Covid vaccination areas in the country

I have today received this update from the Secretary of State for Health and Social Care:

Dear John

I am writing to update you on the fantastic efforts of your local Covid vaccination teams. I am delighted to inform you that Wokingham West PCN is one of the highest performing Covid vaccination areas in the country, having now covered over 85% of those over 80.

Britain is leading the global fightback against the virus, being the first country in the world to approve a clinically-trialled vaccine and now deploying the vaccine on the ground faster than almost any other country in the world. And this is down to the tireless efforts of all those involved – especially those on the ground in our communities, from nurses, to GPs, to pharmacies, to volunteers, and so many more.

It's incredible to see this community spirit, as people pull together to lead us collectively out of the pandemic. I hope you will join me in thanking and congratulating all those involved in your area for the part they are playing in this national effort.

Yours ever,
MATT HANCOCK