

# We need more energy

Several informed people contacted me following my speech on importing electricity in the Commons on Monday.

One wrote:

"I listened to your speech yesterday in the House and I completely agree with point that you made regarding the inter connectors.

I have worked in the industry for 35 years .....

The inter connectors serve a purpose to balance the European system but each country has its own energy policy and agenda. The U.K. is a dumping ground for other countries for their excess generation.....

I fear that the Interconnectors will used and abused post Brexit negotiations and that the British public will suffer.

The point is that we can manage without the interconnectors if we focus on U.K. home generated power .....

Furthermore, why we are paying entities to stop importing power and wind farms to curtail their output is beyond comprehension." (I have removed references to his detailed involvement as he wished to remain anonymous).

I also was reminded of work done by the Centre for Policy Studies revealing the dangerous gap opening up in the amount of domestic power available, and the way that was going to be filled by imports. According to CPS research in 2012 the Coalition government estimated imports of 6 terawatt hours of power by 2030. The plan was to build 26GW of new gas plant to replace retiring coal and act as back up for intermittent renewables like wind. Instead we will build under half that. By 2016 the forecast was to import 77 terawatt hours of electricity by 2025, almost one fifth of our needs.

There are many drawbacks to importing so much. I think we need our own resilience with our own supplies that we control for strategic reasons. We also need to watch out for price rises as and when the continent gets round to ending all its coal power and retires much of its nuclear. They could end up short of electricity. In the meantime the Greens should be campaigning against this interconnector power, as it may well be coming from coal or gas generators. It is all very well the UK claiming it is having coal free days, but it may well be importing coal generated power from the continent for days it thinks are coal free.

The interconnector power is given all sorts of advantages, including no carbon floor tax or transmission charges which the UK competitors face.

It is high time we had a new energy policy suitable for us. It should end our dependence on continental imports, especially given continental growing dependence on Russian gas. That is neither green nor wise, leaving us open to

threats of disruption to supply.

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## My contribution to the debate on the draft Electricity Capacity (Amendment etc.) (Coronavirus) Regulations, 15 June 2020 (edited)

I am very concerned about the regulation, its provenance and whether it will limit our freedom of manoeuvre in ways we do not wish from the beginning of next year. I hope we will be redesigning an energy policy that is fit for purpose to meet our three main priorities.

The Government have been very clear on their environmental priorities. They are not the subject of our debate today and I have no wish to go into them. The Government have always said that they have two other crucial priorities that matter a great deal as well.

One is to have good value power—power that people can afford in their homes and which can make us more competitive in industry and commerce—where I think we have room for improvement.

We also wish to pursue a policy of independence, so that we have resilience and reliability in our system. I therefore find it extremely worrying that we have responded to a state aid challenge upon us in the dying days of our membership of the single market, or its rules, when we are no longer a member of the European Union which sponsors it.

We are setting forward a trajectory that says we will increase our imported power from 4% to 9%, mainly from the continent of Europe—from the EU—as part of our defence against historic allegations concerning state aid. These claims would presumably go away from 1 January once we have left the European Union completely and once we legislate to make our own position clear.

Today's regulation is not well described in the explanatory note. If one reads the 80-page European Commission decision document, one can see exactly how thorough their investigation has been since 2014 of our capacity market, how detailed their intervention in it has been. The Government's response went to great lengths to try to conform to the EU's wish to redesign our capacity market in a way that they find acceptable. Their way is clearly designed to promote a much wider European integrated energy market.

Now, that may well make sense for neighbouring states close to each other on the continent—between Belgium, France and Germany. That is their choice and I have no problem with that. But as we are an island nation which used to be

able to generate all its own power. I have some difficulties with EU control of that.

We have many great advantages to generate wind power, wave power, solar power, hydro power and other renewable power, as well as prodigious reserves of other types of energy where the Government wish to gradually reduce or clean their use. There may well be clean ways of burning some of that carbon, with carbon sinks and so forth, which they will need and want to use.

It seems that the proposal today is from another age when we were gradually being linked into a continental system, which, incidentally, is a lot dirtier than our own system and has been really struggling to reduce its dependence on coal. It is also in a very weak strategic position of chronic dependence on Russian gas. The last thing we want to do as a country is connect ourselves to an ever bigger possible dependence on Russian gas via power generated on the continent when we have a wish to do our own thing.

It is a pity that the explanatory note does not mention the phrase "state aid" or explain up front that the regulations arise because of a state aid case. It refers to "Commission Decision SA.35980". Those who follow these things know that "SA" stands for "state aid", but it is not as clear and transparent as it might be.

The average Member of this House probably does not follow those matters in that much detail and is not aware that we are being asked today to pass legislation because of a state aid infringement that goes all the way back in allegation to 2014. We ran that market relatively successfully from 2014 to 2018, it was suspended from 2018 until the end of last year, and now there has obviously been some sort of deal to get it up and running again.

The explanatory note states:

"Part 1 amends the description of a DSR CMU to clarify that a DSR CMU cannot provide capacity primarily by using a storage facility which reduces its import of electricity".

Is not that interesting? First, we have to translate it. "DSR CMU" is the process that the shadow Minister was telling us about. One of the responses to a capacity market auction is to bid in an offer to buy less power than otherwise would have been bought as another way of contributing to the stability and resilience of the system rather than offering to provide more power for those who want to buy it.

It is curious that the proposal is linked to any proposal that might reduce the import of electricity in the way that it does. That adds to my worries about the nature of this EU policy and intervention against the broader background of the EU's trying to create a comprehensive European energy market with us fully linked into it.

The shadow Minister said that perhaps we were found to have acted illegally. The Commission is clear that that was the case for the period 2014 to 2018. It states that in its view the UK unlawfully implemented the capacity market

in breach of article 108.3 of the treaty provisions on state aid. It has now come up with a form of words at the end of its decision that says that if we do those sort of things, it will see its way to believing that we are now compliant.

I do not suppose that the House has the appetite for a serious debate about any of that today and I understand that we are considering a statutory instrument, not our wider energy policy, but we should not let this go without some things being said.

First, the regulations are the direct result of the most enormous intervention and intrusion into British energy policy and I hope that from 1 January next year, we will proudly set out our own energy policy and not need that sort of intervention. Secondly, the thrust of the policy was to make us more dependent on a European energy provision system that is neither secure nor particularly green. I strongly repeat that dragging us into more reliance on Russian gas is the last thing we want.

**Craig Mackinlay (South Thanet) (Con):** My right hon. Friend made a point about EU energy not being particularly green. Does he share my concern that we pat ourselves on the back and say we have burnt no coal or had no electricity derived from coal over 30 or 60 days, yet much interconnector electricity has been manufactured by those dirty forms of energy that we are trying to get out of our market in the UK?

**Sir John Redwood:** That is exactly right. People like to claim that we are importing nuclear energy from France, for example, but we are importing European energy in a pretty unified system, which has surplus capacity because it has not only French nuclear but an awful lot of dirty coal, Russian gas and so forth, which should cause us concern.

Thirdly, can we in future have an honest and clear explanation so that more Members of Parliament might understand what is going on and think it is a matter of some concern? I do not think that most of our colleagues realise that we are talking about resilience—our ability to keep the lights on in difficult conditions that might arise in future.

We are talking about the pricing of electricity and these very big strategic issues. And finally, we are talking about whether this country is now going to have its own energy policy, or whether we are hastily legislating so that we can, for the foreseeable future, still be effectively under EU state aid rules, edging ever closer to integration with EU energy policy.

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## Results of drug tests for CV 19

Some here have questioned what has happened to the UK tests for drugs that might help CV 19 patients.

Reminding you this site does not offer medical advice, I read that the UK trials have produced some good outcomes for the cortico steroid dexamethasone used on some pandemic patients. In the case of patients on ventilators one third benefited from this drug, and for patients given oxygen one fifth compared to patients not given it. Less ill patients did not benefit.

This drug is readily available from a range of manufacturers. It was first produced by Merck but now is widely manufactured around the world. It will be interesting to see what use doctors make of this option in the light of the findings of the trials.

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## Contentious statues

The statue debate continues, with Prime Ministerial content adding to the coverage. So let me today explore the issues concerning a prominent statue in York. For me it is central that the future of statues is settled by peaceful and democratic means, and not by criminal damage to them. A town or county or nation has to find a way to be at peace with its past so the factions with differing views can accept the decision.

In York near the Minster, with the throne of the Archbishop, rests a modern statue of Emperor Constantine. He has been selected because he spent time in York, and because he converted to Christianity.

There are a number of issues about his life and times which should give us pause before we celebrate his success in promoting Christianity or in uniting his vast empire. He was the Emperor who developed Constantinople as the new centre of the Roman colonial system.

We should ask how acceptable it is that he presided over a system based on slavery. Much of the hard work in building his cities and palaces, in providing for a sybaritic lifestyle for the grandees, and in carrying out the chores of urban living fell to the slaves. Slaves were often badly treated and traded.

We should remember that in York he worked with and through the large army barracks and fortified system, encouraging the army to keep the local population obedient to Roman law. Dissent was dealt with brutally.

We should bear in mind that he led armies against people the Romans called barbarians because they happened to disagree with Rome and wished to govern themselves, or were settled just beyond the edges of Roman military rule.

He supported a large barrier wall between England and Scotland, with military suppression of any worrying contact between the two places and peoples.

I myself would vote not to have statue to such a man close to one of our

great cathedrals were I to have such a vote. It would be better off in a museum to Roman life somewhere. The very least that could be done is to place more explanatory text about this man prominently for all to read if they wish, to explain the good and the bad we now see in him.

There are similar issues with the statue of Trajan by the City of London.

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## The shops are opening again

It is welcome news that most shops closed to help arrest the pandemic are to open again today if they wish and if they can do safely.

Many retailers have been inventive in working out how to allow people into shops to see the stock, to choose and to buy whilst observing the rules of social distancing. The food stores pioneered techniques including asking people to wait outside, limiting the numbers in the shop at any time, going round the store in a prescribed way, keeping your distance when waiting to pay and protecting staff with screens and protective clothing. It helps if customers wear some facial covering. These and other ideas will now be adapted by the non food retailers who start trading again today.

I trust people will welcome this relaxation and will want to go and buy things from the shops. Many people say they value their local High Street and want the shops there to be available for them. To help secure their future it is important to back them in the only way that counts in the next few weeks, by visiting them and buying things from them. Of course if you are vulnerable or have to self isolate different considerations come into play, but for most people the risks of shopping for non food should be no bigger than the risks we have been taking to shop for food in recent weeks.

I have argued throughout this crisis so far that government needs to give the highest priority to saving lives, but also has to follow policies that can save livelihoods. I was pleased the government took up the idea of government cash to support staff who could not go to work, but this cannot go indefinitely. The only way to pay the wages in the months ahead is for people to be back at work serving and supplying customers who will pay the bills.

High Streets were struggling a bit against the formidable competitive challenge of on line shopping before the pandemic hit. It has now got a lot tougher, with almost three months of no trading from shops whilst people switch to the internet offer. That is why if we want to help restore our High Streets we need to support our favourite retailers as they go to the cost and trouble of adapting to the new conditions and opening their stores today.