

Yesterday's meeting on energy

The proper topics of conversation were availability of supplies and prices. Gordon Brown's attempt to hijack the agenda with a proposed nationalisation of parts of the energy industry was bizarre. His own purchase of RBS shares during the banking crisis at an elevated price bailed out shareholders and left the taxpayer nursing large losses. It was not the right answer to a disaster in the banking sector and over the regulation of banks which he made worse. The last thing taxpayers need now is the requirement to find billions of pounds to acquire shares in energy companies, with a view to then running them at a large loss to keep the prices down.

The answer to scarce and dear energy has to be the supply of more and cheaper energy. That requires plenty of private sector investment, and sensible regulation where there are monopoly elements. If the only aim of regulation is low prices we will end up with less energy, losses for the taxpayer to pay and an eventual larger price hike from weak supply. Look what happened to Bulb. The state interventions did not keep the general price of power down but we have losses to pay.

The Lib Dem idea of simply freezing the prices we pay answers nothing. Who then buys in and provides the energy and who covers the losses on doing that? Why indeed would a company volunteer to supply at a large loss?