

ENERGY SPECIAL



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Editorial: Energy strategy; 12 Wasted Years

The government claims that its new energy strategy will provide cleaner and more affordable energy this decade. But we've been here before. Their 2011 White Paper, *Planning our Electric Future: A White Paper for secure, affordable and low carbon electricity* said 'we need huge investment in renewables; a new generation of nuclear stations; and, in time, gas and coal plant that can capture harmful emissions. This will diversify supply and wean us away from imported fossil fuels.' Within two years they "cut the Green crap" crippling onshore wind, solar installations and home insulation, while watering down sustainable building standards; thereby increasing carbon emissions, losing jobs, and keeping bills high. So, here we are again.

Having learned little and forgotten much, today's strategy states that it "will accelerate the deployment of wind, new nuclear, solar and hydrogen, whilst supporting the production of domestic oil and gas"; all at the same time. Just like that!

Flagged up as a "press all the buttons at once" approach, the big red flashing button that is almost totally absent is insulation. Insulate our building stock and we don't need to produce as much energy in the first place. Investment in insulation would create around half a million jobs, none of which could be offshored, most of which would be local and could revitalise communities up and down the country. Levelling up agenda? What levelling up agenda? After failing twice with grants to homeowners in the last ten years we are now left with the pathetic squib of a reduction in VAT on insulation materials and solar panel installation until 2027. So, any small move in the right direction will be taken only by the relatively few who can afford the initial investment as individual consumers, and what work is done will be in penny packets with no economies of scale. The £6.6 billion earmarked "to improve energy efficiency and decarbonise heating over this parliament" is nowhere near enough to upgrade the half a million homes the government has targeted, let alone the 19 million homes that need it.



Quote of the Month

The truly dangerous radicals are the countries that are increasing the production of fossil fuels. Investing in new fossil fuel infrastructure is moral and economic madness.

António Guterres, UN Secretary General

Petitions

38 DEGREES
people. power. change.

We need energy security now.

Friends of the Earth

Against new fossil fuel exploration.

Central to the strategy is “a significant acceleration of nuclear, with an ambition of up to 24GW by 2050” (up to around 25% of projected electricity demand). Whatever the arguments about the green credentials of nuclear*, there are two immediate problems with this, if the point is to reduce bills and carbon emissions. One is speed. The Small Modular Reactors that are slated to be the core of this drive are at prototype stage and Rolls Royce don't project actually building any until the 2030s – so there is no immediate impact on supply.



Photo: Hinkley Point by Richard Baker

The government admits that even this is “subject to technology readiness from industry”. The same applies to the target of building one large reactor a year, with no specific plans beyond Hinkley C and Sizewell C (with a combined capacity of 6GW); so, this may well be in Garden Bridge, Thames Estuary Airport territory. The second problem is cost. Nuclear is very expensive. More expensive than gas. Much more expensive than renewables already are. By the time they are built the cost differential will be even greater. Is this greater cost going to be lumbered on to everyone's energy bills? Hardly a move towards “affordability” even in the long term.

The ambition of “up to” 50GW of Offshore wind by 2030 is up from the previous 40GW target and the current 10.4GW capacity.– and includes “up to” 5GW from floating offshore wind in deeper seas. Planning reforms will cut the approval times for new offshore wind farms from 4 years to 1 year. This is very welcome and is slated to produce an additional 30,000 jobs; so half a cheer for that.



Photo: Ben Wicks on Unsplash

But, a licensing round for new North Sea oil and gas projects to launch in Autumn, with “bespoke support to new developments” is a step in the wrong direction. Exploring new oil and gas fields that we need to keep in the ground to have any chance of staying under a 1.5C will add to global supply, not provide a like for like replacement for imports. The investment that goes into these fields, from private companies or the government, could be better spent of hastening the transition, not doubling down on the fuels that are causing the problem. While, on current practice FOE estimates that new oil and gas fields will take until 2050 to come on stream in any case, the FT has argued that the companies engaging in these projects are smaller than the energy majors and likely to get production started much quicker. This is usually done by cutting corners, so that is an area our unions should be looking at hard. This will do nothing to reduce energy bills right now. Even the relative profitability of fossil fuel investment is declining sharply relative to renewables; and is likely to be in negative territory before these fields come on stream, even if that is achieved this decade. As the government rightly notes - “Prices of renewables have been consistently decreasing, with the price of offshore wind dramatically falling by around 65% since 2015, onshore wind prices down 50% since 2013, and residential roof top solar panels are now less than 50% the price they were a decade ago”.

So, onshore wind is another massive missed opportunity. This is the cheapest form of energy currently available, quick to erect and get going and, as Ed Miliband pointed out, could have a positive impact on reducing fuel bills in the next two years. There are around 600 sites currently

IEA 10 point Plan

The International Energy Agency **10-Point Plan to Cut Oil Use** could lower oil demand by 2.7 million barrels a day in the richest countries. This would reduce strains and price spikes at a time when Russian supplies may no longer reach the market and the peak demand season of July and August approaches. This would have an even greater effect if adopted in part or in full in underdeveloped economies as well; so they can leapfrog over some of the outmoded fossil fuel dependent development characteristic of the Global North.

The plan focuses on transport, since that's where the majority of oil demand comes from and proposes to generalise concrete measures already use in various countries and cities;

- lower speed limits,
- working from home 3 days a week
- limits on car access to city centres
- cheaper public transport
- more carpooling
- greater use of high-speed rail
- virtual meetings instead of air travel.

All of this should be being done anyway, as global CO2 emissions rose by 6% in 2021 to 36.3 billion tonnes, and the 2 billion-tonne increase was the largest in history in absolute terms, so the acute emergency posed by the war in Ukraine is underpinned by the chronic emergency generated by our still growing fossil fuel use.



bogged down in planning procedures that were designed to block them by the Conservatives in 2013. It takes a day to put one up. NIMBYish opposition is mostly concentrated on the Conservative back benches, as 85% of people (and 85% of Conservative voters) are in favour of them and have no objection to them being put up locally. *“Consulting on developing partnerships with a limited number of supportive communities who wish to host new onshore wind infrastructure in return for guaranteed lower energy bills”* is a miserably small ambition and we should push for more in the coming months. As energy bills rise even further, support for onshore wind can only grow.

The decision to have a *“geological survey”* to keep the prospect of fracking alive is another genuflection to the old gods that will only pay off if they fix the science to suit Cuadrilla.

The Heat Pump Investment Accelerator Competition in 2022 worth up to £30 million *“to make British heat pumps”*, is a diminutive bit of pump priming if they want to install 600,000 a year by the end of the decade.

The UK’s current 14GW of solar capacity *“could”* grow up to 5 times by 2035 to a whopping 70GW. *“Consulting”* on the rules for solar projects for domestic and commercial rooftops, however, is likely to follow the same model as for insulation; giving incentives to those who can afford the investment, not having a plan or an appropriate level of investment to reduce fuel poverty and similarly unlikely to realise that fivefold increase.

An *“ambition”* for *“up to”* 10GW of hydrogen production capacity by 2030, envisages *“at least half coming from green hydrogen...utilising excess offshore wind power”* That means *“up to”* half will be produced using methods that create more CO2 emissions than just using natural gas in the first place.

There is no mention of support for Tidal Power, and a search of the Gov. UK site turns up results no more recent than 2013.

We need a government that will invest massively and consistently in onshore wind and home insulation, put a complete stop to fracking and further North Sea oil and gas exploration, work on the potential of tidal, and put a permanent windfall tax on the energy companies to keep bills low and help pay for the investment in the meantime. The rise in energy prices is already biting hard. Our campaigns need to focus the anger that generates to genuine solutions.

Paul Atkin

** Please note that there are differences of view in the GJA about nuclear power. This is the view of the editor, and we invite contributions to our Blog on either side of the discussion.*

Stats of the month

Profits made by Energy companies last year

BP	\$12.8 billion
Shell	\$19.3 billion
Chevron	\$15.6 billion
Exxon Mobile	\$23 billion
£0 - Corporation Tax paid by Shell on North Sea operations for last four years.	

The Chancellor of the Exchequer opposes a windfall tax because he says it would *“stop investment”*. Not so. It would - in transferring wealth from companies to the state - make sure that the investment put in by the government on our behalf followed social imperatives; not allow our futures to be held to ransom by short term dashes for profitability.

Corporate Courts vs the climate

Ministers from Denmark and New Zealand have admitted that they’d done less at COP26 and chosen weaker climate targets because they are afraid of being sued under the Energy Charter Treaty or other corporate courts deals.

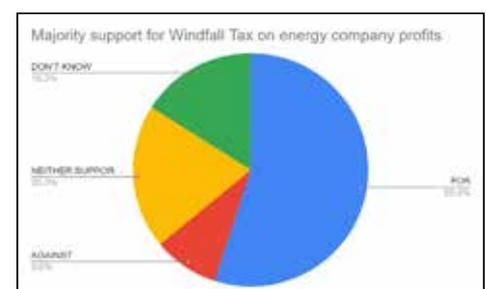
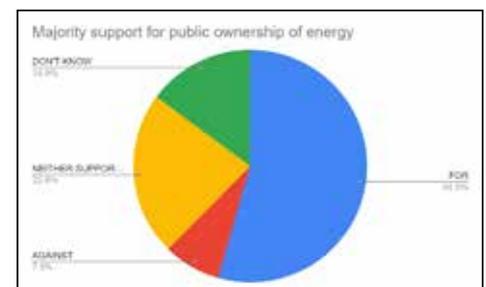
This is probably the tip of the iceberg. but this Summer, member countries of the Energy Charter Treaty are approaching a decision point on whether to exit it. This is a massive corporate courts deal, and the one most of the fossil fuel companies are using.

A **day of action** on 21 May called by **Global Justice Now** calls on the UK to exit the **Energy Charter Treaty**, in coordination with allies across Europe.

The booklet, **Corporate Courts versus The Climate** focuses on the stories of three fossil fuel companies which are using corporate courts to sue over:

- cancellation of the Keystone XL tar sands pipeline
- coal phaseout in the Netherlands
- blocked expansion of the Cerrejon open cast coal mine in Colombia

and can give guidance on campaigning for the day of action.



Poll by Savanta Comres for Labour List

Building the Greener Jobs Alliance

In addition to all our campaigning activities, at the GJA we are also seeking to improve our communications and services. First, our currently creaking website is about to undergo a much needed overhaul, thanks to our website guru Wendy Mayes. This plan, which we hope to implement by the autumn, should give us a much more flexible and responsive web presence, much more scope for updates and current news, and the ability to carry regular blogs from members or guests, while still carrying the course modules and newsletters that are the backbone of the website.

We've also produced a new GJA constitution which will be available on the new website, to update our membership, our purpose and aims, and how we operate independently of the policies of our constituent membership. It's also our aim to review our list of supporters and seek to engage more often and more directly so that we can build campaigns and alliances directly to support our primary objective of supporting the development of climate jobs for workers across the whole economy.

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Supporting the Greener Jobs Alliance

The GJA is a loose coalition of organisations involved in climate change work.

We wish to make it clear that the views expressed in our publications and activities do not necessarily reflect the position of all the organisations whom we work with.

We will always seek to make that clear by listing the organisations that have specifically signed up to a particular initiative.