

Comments made by The Rt Hon Lord Howell of Guildford, former UK Energy Secretary, Chair of the Advisory Board of Crystal Energy and Co-Chair of Access for Women in Energy (AccessWIE), on Energy Markets and Investment in Times of War and Transition seminar organised by AccessWIE and hosted by the Arab Bankers Association on 4th July 2023

1. 'There is no more money'. That was the legacy message from Labour to the incoming Conservative Coalition in 2010. The State coffers were empty.

Could the same message now be the one that has to be handed on at the next Election in the UK, either to a fresh Conservative administration, or to a new Labour Government – especially that there is no state money for the colossal costs of decarbonising our whole national energy usage which are now becoming so apparent?

2. The trouble is that the size of this task has hitherto been masked in both the public debate and in official minds, with highly misleading results and guarantees of severe disappointments ahead.
3. The confusion is between decarbonising the existing electricity sector and decarbonising the whole national energy usage. The former is going pretty well.
4. Last year, renewable source electricity, led by wind but including hydro, solar and nuclear (or what remains of our shrunken nuclear power sector), contributed over half on average of total electricity output. On some days, it was 100%, although, of course, on other days it was very little.
5. But what goes largely unmentioned, is that the electricity sector amounts to less than one fifth of our total energy usage (18.5% last year according to latest Office of National Statistics figures).

So, it is the other four fifths of our total energy consumption -overwhelming gas and oil- that is the problem, and on this we have hardly started.

6. Today there is no more money because the Government had to go on fighting Covid and then on protecting proper against impossibly high energy bills. Together these two enormous events drained almost a trillion pounds from the Exchequer, and yet the demands for more funding on almost every front are far bigger now than even in 2010.
7. Whoever wins this next time, the coffers will be empty, although this time the list of demands for more spending is longer, far greater, and more pressing than thirteen or fourteen years ago. From health, physical and mental, to defence, to social care, to housing, to education (for crumbling schools), to roads, railways, environment and restored real pay demands the universal cry is for more government funding on every conceivable front.