

THE DEAD HAND OF SIR HUMPHREY



Receiving a lifetime achievement award is certainly better than not receiving one. The only trouble is that it has an air of something posthumous about it. You can hear the whispers in your own head... "God bless him, guv'nor... 'e did his best". The one important difference from a funeral, however, is that you get to have the last word.

In my case, the award was for work on sustainable and renewable energy. The Energy Minister Malcolm Wicks was warm and generous in his presentation. But his warmth masked the deep hostilities held within his own Department (and the Treasury) towards any serious shift into a renewables agenda.

I couldn't resist putting a tiny sting into my own acceptance.

I decided to thank the Minister for bringing home to me the fact that I had a mission in life after all. The mission was to save the Minister from the fibs of his Department. This went down well with the audience, but less so with Departmental officials. Everyone there knew that BERR (the Department for Business, Enterprise and Regulatory Reform) has been throwing everything, including, the kitchen sink, into blocking the introduction of preferential feed-in tariffs for renewable energy. These are the tariffs that require energy companies to pay citizens for putting green energy back into the system.

It isn't quite fair to say that the whole of BERR is useless. There are talented people in it who understand that today's energy agenda is a busted flush. Whether its end comes via peak oil or climate change is largely irrelevant. We are sitting at the end of the fossil fuel era. Nuclear, as always, offers itself as the answer. As always it is a massively uneconomic delusion. We have to fundamentally rewrite energy market rules along sustainable lines and we need to do it quickly. The sad thing, in government circles, is that those who understand this have been sidelined by those wedded to a "business as usual" agenda. It resembles an episode of Yes Minister. We may be in one hell of a mess, but Sir Humphrey's inertia reigns supreme.

The triumph of bureaucratic obfuscation can be found in the Government's current consultation document on a UK Renewable Energy Strategy. In almost 300 pages of analysis, comment and questions, BERR systematically boxes in the arguments to reinforce the same patronage presumptions that have underpinned government policy so far. Big energy will continue to be subsidised. "Grandfathering" rights – the protection of polluting and corporate privileges – will be safeguarded. Targets will be avoided. Energy producers will be encouraged, but not directed, to make fundamental changes. The Energy regulator (OFGEM) should have no primary duty other than to promote short-term price competition. Companies that cannot meet their carbon reduction or renewable energy commitments will be covered by carbon offsetting or carbon trading; continuing to pollute, but paying the poor, somewhere else, to act virtuously on our behalf. For all the glossy pages, it is a duplicitous consultation with the narrowest of vision.

You don't need to be an energy anorak to understand the deceptions that are taking place. Britain's chosen mechanism for promoting renewable energy generation has been the Renewables Obligation (RO). Essentially this is just a feeding channel that shovels money into the pockets of the large energy companies. An EU – wide study of intervention measures describe this as Europe's most expensive way of delivering very little. The energy companies, however, love it. Surprise surprise.

Government officials love the RO too because it keeps them sweet with 'big energy'. The Consultation is desperate to avoid fundamental questioning about the RO, and whether we should just dump it. So the Consultation questions begin with little preambles like

"On the assumption that the RO is maintained, we would like your views on any further changes required"

There is no desire to explore more constructive and creative alternatives. On the assumption that we are going to burgle your house after breakfast would you prefer to start the day with cornflakes or weetabix?

Next come a series of downright fibs in the summary of financial incentives the government claims

"Our analysis indicates that, while feed-in tariffs could in some circumstances have theoretical, financial advantages, these benefits could be within the margin of modelling error and would be small for the scale of deployment required."

You can feel the lack of enthusiasm for feed-in tariffs in almost every line and every phrase. The most interesting point, however, is that the Consultation frequently refers to studies that were commissioned as the basis of the government's analysis. Make your way through the maze of references that finally takes you into these studies and a very different picture emerges. Feed-in tariffs are recognised to offer savings of up to 20% against the cost of the RO, and offer less risk and greater security.

Even the research studies omit to mention that one of the great attractions about feed-in tariffs is that they involve energy companies paying citizens for clean energy, rather than taxpayers paying energy companies for bugger all. In Britain, 90% of the money going into renewables comes from the government (the taxpayer). In Germany it is exactly the opposite. The financial incentives built into their feed-in tariff schemes have meant that households, communities and local authorities have driven the investment agenda.

Britain has become the back marker in the European energy league, partly on the basis that officials and Ministers refuse to set targets against which to measure their claim to be world leaders. That's why we have ended up leading from the back. Lo and behold the same thinking comes through in the Consultation proposals

"The research was not able to uncover any discernable benefit in having a target on its own...the Government is not currently minded to introduce a specific target for micro-generation technologies at this stage in its development."

The research itself says exactly the opposite. Only two months earlier the government was told -

“Legally binding micro-generation targets are perceived to drive the creation monitoring and revision of Government policy so that the targets are met...there appears to be a sense of a logic for establishing a micro generation target in the UK”

Thus it is that we enter the Alice in Wonderland world where words mean only what the Queen of Hearts decides they should mean. It remains a tragedy that our main Departments of State should be obsessed with obstructing the shift into a sustainable energy future rather than driving it.

Britain currently has wind turbines standing idle because they have no priority access that would give them connection into the National Grid. The connection date that some have been offered is 2018. The reason behind this is that existing market access rules favour existing energy producers – no matter how dirty the energy is. Wind turbines stand idle because they have no priority right to be connected to the Grid.

Elsewhere in Europe, countries have given renewable energy priority access in order to drive the transformation. In Britain, a legion of Sir Humphrey's have concluded this would be unfair to the big energy companies. Elsewhere in Europe a shift in power from corporations to citizens, and a shift in priority from non-renewables to renewables, drives not only massive job creation, but also a fall in energy prices.

Britain faces the prospects of a further 60% increase in energy prices by the end of the year, and an increase of households in fuel poverty from 4½ million to 6 million. We need a Labour Government to take the side of the poor and the planet rather than the rich and the polluting. It isn't a difficult choice. It's what you call leadership.

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