RIOPINSE PLANT



From Viscount Ridley

Baroness Verma, House of Lords London SW1

Dear Sandy.

1 December 2014

As you know I put down a written question on 11 November, asking for a factual answer detailing "the impacts in pounds per megawatt hour of each energy and climate change policy on (1) retail gas prices, and (2) retail electricity prices, for (a) domestic consumers, (b) medium-sized businesses, and (c) energy-intensive users in their low, central, and high fossil-fuel price scenarios."

The reply I received on 27th November is, I am sorry to say, no answer at all, and in effect is a refusal to disclose. Annex D are modelled bill impacts, not price impacts. The tables showing the electricity and gas price impacts (£/MWh) rather than modelled average bill effects appeared in the three previous editions of this document, and were omitted this time. Why? They must exist because the bill impacts could not be generated without them.

All previous publications of these numbers have included price impacts and the very title of the current document refers to "prices". I know that a number of pressure groups and consumer organisations are understandably irritated by this refusal to provide the information, and I know that many businesses require price impact information and rely on it. It surely represents a reduction in governmental transparency to withhold it, in abrupt contrast to the promises this government has rightly made.

I am not, of course, blaming you personally for the failure to disclose, but I do intend to pursue this line of inquiry, because as you know I have maintained for several years that the Labour/Lib-Dem policy of heavily subsidizing renewables even if they prove ineffective and costly is a mistake. The justification for it – that fossil fuel prices would rise – is proving more erroneous by the day. With fossilfuel prices now falling, the cost of these policies, falling especially heavily on poorer households, is rising ever more steeply and we are in practice insulating British consumers and companies against falling energy costs enjoyed elsewhere in the world, a point I made in the shale debate recently. It is vital that we revisit the policy foisted on the country by Ed Miliband when he was energy secretary of making hard-working consumers subsidise wealthy investors in expensive forms of energy generation, before it drives yet more manufacturing industry abroad and further hobbles our competitiveness.

Accordingly, I am copying this letter to Matthew Hancock MP and also to Oliver Letwin MP on the subject of transparency.

Jos Sirver