

GREEN ENERGY IS CHEAPER!!

By Joss Garman



Electric vehicle charging points at Tynemouth. Photograph: Owen Humphreys/PA

Rishi Sunak and Keir Starmer should take courage from Joe Biden: Green Energy for all is the only way forward. It's time for them to ignore the scaremongers who urge voters to put their faith in more oil and gas

Joss Garman Sun 30 Jul 2023 08.02 BST

This was always going to happen. There was always going to be a moment when the seemingly dry question of decarbonisation became a dominant – the dominant – question in British politics; a moment when the government and opposition would have to genuinely address a question that was no longer abstract, no longer about measures to take in distant decades to prevent climate impacts in distant lands. Are we actually going to clean up our economy, and if we are, then who's going to pay for it?

Some world leaders understand the moment we're in and are acting accordingly – to defend a global climate that allows humans to prosper, but also to ensure their economies prosper this century. President Joe Biden's **Inflation Reduction Act** is the biggest single investment of money into decarbonisation ever attempted, and the consequences are scaring European policymakers witless. The White House has made a huge intervention in the US economy in an effort to ensure America, not China, dominates technologies this century.

So here we are, in the summer of 2023, witnessing three emerging inevitabilities – the politics, physics and economics of climate change. But who, in this defining moment, will our political leaders listen to?

All last week, influential pundits and politicians were urging Rishi Sunak and **Keir Starmer** to row back, not double down, on their climate plans. The argument they were making is odd. They recognise we are all being made poorer by the crippling cost of gas but argue in response that people should be left even more reliant on gas to heat their homes. Charging a car is now so

much cheaper than filling your fuel tank, but the sceptics say the government should ensure more households depend on petrol and diesel vehicles to get to work.

Generating electricity from our wind and solar farms is so much cheaper than lighting up our homes with imported gas, but **David Frost** and his fellow travellers say we should build fewer renewables and import more expensive gas. As Biden ploughs \$1tn (£780bn) into America's climate transition, they are demanding policies to ensure British businesses are less competitive in these fast growing industries. And so on.

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If it weren't so dangerous, the perversity of their arguments would almost be funny. It's especially infuriating that so much of their ire is aimed at the target, backed by both Sunak and Starmer, to **end the sale of petrol and diesel vehicles by 2030**. As Torsten Bell, of the Resolution Foundation, noted, this is one of the **cheapest climate policies**. Green Alliance worked out that it could deliver two-thirds of the emission cuts we need over the coming decade, and it's a rare example of a climate policy we are actually on track to deliver. Already, a third of cars sold in the UK have zero tailpipe emissions, and the pace of sales is exceeding the government's targets, with investment flowing accordingly. We will get new **battery factories in Somerset**, and even the charging infrastructure we need is finally being deployed – up 38% in just the past year.

It's true that if voters are left with the impression that going green will add to their bills at a moment when they are more sensitive than ever to inflation, and when taxes are already higher than for 70 years, then net zero policies will fail. But it should follow from this collective Westminster wobble that the most effective climate policies won't be about taxing struggling households, but about investing to make the green options affordable, accessible and desirable to as many families and businesses as possible in the shortest period of time.

With 20 other countries in Europe installing more heat pumps than Britain every year, can it really be so hard? In France, President Emmanuel Macron is offering low-income households the chance to lease electric cars for just £88 a month, insurance and maintenance included. Why not here? Before David Cameron "**cut the green crap**", insulation rates were 92% higher than they are now. So it's not as if we can't do better than this. If we were already, millions would be spending £600 less every year on their energy bills.

The Office for Budget Responsibility confirmed this month that failing to hit net zero could **cost the public double** what it would cost to achieve. But given that most people don't have a few grand to fork out for green upgrades, it was inevitable we would soon be having a lively democratic debate over the best plan to deal with the upfront costs of making the big switch.

But right now, ministers aren't even doing the free stuff. Just look at the government's failure to break the link between gas prices and what we pay for our electricity. It is insane that the price of power is defined by the most expensive form of generation at any point.

You may have signed up with a green electricity provider that generates clean power at a dirt-cheap price, but your monthly bill is dictated by events in the Donbas or the weather in Asia that week. This isn't an inherent flaw with the green transition, it's a political choice. So is tangling up cheap energy sources with planning restrictions. So is layering higher taxes on bus and train tickets, and loading taxes on to clean electricity while keeping them down on fossil gas.

Last week's election in Spain saw Vox, the party of extremist climate deniers, **punished at the ballot box**, repeating a pattern seen in Australia where the rightwing government was kicked out of office when it abandoned the centre ground on climate change. Sunak should ignore his party's siren voices if he is to avoid the same fate. When Margaret Thatcher found herself in

choppy waters, she famously told her party: "There is no alternative."

Until such a time as their critics are offering up credible solutions, Sunak and Starmer should do the same.

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Critics are right to say that where we buy our energy should not deflect attention from the urgent need to reduce demand for fossil fuels. But that issue is one of constraining overall demand, not arguing over the source of supply. Preferring to use only ship-borne oil to avoid the supposed taint of dirtying our hands in the North Sea would be hypocrisy.

Carbon capture and storage (CCS) is a separate issue. Like power from nuclear fusion, it is one of those solutions to the climate crisis that has always been just over the horizon. But as academics such as Oxford's Myles Allen and Edinburgh's Stuart Haszeldine have long argued, unlike fusion, the issue is not one of science and technology. It is one of politics and money. Norway's carbon capture operations in the North Sea have been running since 1996, and now store close to a million tonnes of CO2 every year. Denmark's first full-scale carbon capture and storage project was launched this summer, also in the North Sea. There is nothing new in Sunak's project other than it is British.

This issue now is one of politics. Existing CCS currently reduces CO2 emissions by 0.1%. To meet net zero, it needs to rise to 10%. This requires a massive uplift of investment. At present, Sunak's commitment to the current Acorn project appears to be minimal, particularly in comparison to the reportedly "unachievable" and energy-guzzling HS2. But CCS has one advantage: that it could be largely financed through the marketplace by imposing the cost not on taxpayers, but on polluters direct. According to Haszeldine, all emitters of CO2 should themselves fund the capture and storage of one tonne of the gas for every tonne they emit. He estimates this would add probably 15p a litre to the price of petrol. Everyone – producers and consumers – would play their part.

It is known in the energy world that the big corporations are waiting to be ordered to embark on CCS by a government with the guts to do it. That is perhaps why they have been building up cash reserves to obscene levels. It has to be right that those who produce pollutants should also dispose of them. There is no pretending that this will be cheap. But efforts to reduce global emissions piecemeal are reportedly failing even to approach net zero. There are clearly limits to how far the rich world will transform its lifestyle. The next great battle has to be direct action against CO2. That this would cost money can hardly be an objection: this is a crisis, after all.

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