

Catherine Mitchell

Energy Policy – history, policy changes
over time, EMR, decarbonisation

History

- Lots has changed since 1990 when I became an academic
- However, in terms in change of energy system structure, use of technologies, customer behaviour, business practices very little has changed
- Rules and incentives still support status quo conventional system
- Decision-making parochial, opaque, ideological

EMR

- Started out with the right intentions ie to enable an energy not electricity system for the 21st century
 - Got shunted off track as Government realised how hard it is to build new nuclear
 - Did not genuinely ask for advice; always determined to support nuclear and was not prepared to back down; and then nuclear industry knew they could play hard ball
 - Shows how difficult it is to be transformational
 - Being transformational is in a sense only possible if you try and do something that has not been done before
 - EMR now dominated by nuclear power
 - Government has now lost the trust of most of energy sector – hence need for decarbonisation target

Decarbonisation

- There is no decarbonisation target consistent with the CCC's 4th Carbon Budget of 50gCO₂/kWh in the Energy Bill - as was expected
 - In some ways should not really need one as has CC Act Budgets
 - But carbon budgets are economy wide, not sector specific so less comfort for investors
 - Need it for security given the uncertainty of last 2 years

Decarbonisation – reality versus hope

- Decarbonisation is encouraged via electricity
 - Within electricity, the effort relates to nuclear
- Reality is that decarbonisation via electricity is probably helpful for transport but not for heating in homes
- My view is that only a limited amount of nuclear power plants will be built
 - Already undermining renewables
 - Need more options in case of failure
- We need to be much freer about the way we allow innovation to develop, that requires a risk free mechanism

General

- Need to
 - set up some sort of cross-government oversight of policies
 - think more about complementarity of policies, including integration issues
 - think more about the impact of uncertainty
 - think more about elites and incumbents
 - think more about short versus long term
 - think more about the relationship between energy and finance policies

Short versus long term

- Should accept as many amendments as possible about renewable transitional arrangements, energy efficiency, decarbonisation target etc
- Do what you can to make policy inclusive, not exclusive
- Longer term – put in place some cross party mechanism to enable better decision-making
- Keep track of policy and best practice in Europe, particularly Germany and Denmark
 - Do not believe the talk about the failure of the energiewende in Germany
 - Understand integration movement