



Parliament debates energy

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Energy was briefly debated in parliament yesterday (04May06), the debate started with a request to Malcolm Wicks the Energy Minister asking:

If he will make a statement on the current and future diversity of the UK's energy supply.

He duly did so without saying anything substantive apart from saying that the joint energy security of supply working group report will be published next week. We discussed this missing report on TOD [here](#) and last week the JESS secretariat promised publication this week - what's one more week after we've waited months - maybe the wait is nearly over.

Wicks was specifically asked whether he regretted saying that the country was awash with gas last winter to which he replied simply that it had been what National Grid had told him. Does Wicks believe everything he is told at face value?

When asked about coal and the potential of carbon capture and sequestration he replied:

I think that that has huge, indeed mammoth potential. Given that the world will be burning huge amounts of carbon--fossil fuels such as gas and coal, not least in China--for a century or more, the only way in which we can square the circle and meet the challenge of climate change is to ensure that we promote technologies that can strip out carbon dioxide and store it safely, for example under the North sea.

On nuclear he had this to say:

The case for new nuclear is strong; however, concerns about waste and safety, and the need to consider the economics and to make a cost-benefit analysis, are also important factors.

I wonder how the case can be 'strong' before considering the economics and cost-benefit analysis. Can there be any case before such considerations?

Full transcript below.

Source: [They Work For You](#)

Mr. Mark Lancaster (North-East Milton Keynes) (Con): If he will make a statement on

The Minister for Energy (Malcolm Wicks): Securing reliable supplies of energy in the medium and long term is one of the key considerations of the Government's energy review, which I am leading, that will report to my Secretary of State and the Prime Minister in the early summer. Details on the diversity of the UK's energy supply will be contained in the latest report by the joint energy security of supply working group, which, I am pleased to tell the House, will be published next week. In addition, I will make written statements to the House soon about the past winter's experience and on the key issue of planning needs for new gas import and storage infrastructure.

Mr. Lancaster: Increasing the use of renewable energy sources is the best way of increasing diversity in the UK's energy supply. But does the Minister agree that we need to reconsider the renewables obligation, which focuses on wind power to the detriment of other emerging technologies?

Malcolm Wicks: Yes, I agree that the renewables obligation, despite its strengths, which have brought forward much renewable energy, could appear to be a blunt instrument and certainly seems to be favouring one technology--the wind farm. Within the review, we are therefore considering the issue that the hon. Gentleman raises. He refers to it as the best way of promoting a diversity of supply. We have a target that 10 per cent. of our electricity should come from renewables by the end of this decade, and what we currently call an aspiration of 20 per cent. by 2020. That is one way, but there are other ways of promoting such diversity.

Miss Anne Begg (Aberdeen, South) (Lab): In all the debate about the future mix of Britain's energy needs, may I urge the Minister not to forget the important role of oil and gas, much of it from the North sea sector? Does he agree that it is important for us to attract youngsters into the oil and gas industry? Many see it as a sunset industry, but it has a longer future than other areas of energy development. It might help if we could sort out the argument about the offshore working time directive.

Malcolm Wicks: I understand my hon. Friend's fundamental point. Although oil and gas from the North sea and the wider UK continental shelf is in decline, perhaps 40 or 50 per cent. of stock remains. The oil and gas industry will continue to be an important and vibrant British industry for the next 30 or 40 years, and it is attracting new companies for exploration purposes. We need to promote the importance of both the gas and the electricity industries throughout the energy field, along with the importance of skills and training--not least so that we can attract new people into an important and indeed successful British industry.

Miss Anne McIntosh (Vale of York) (Con): Does the Minister regret saying that the country was awash with gas? Does he appreciate that one reason for the disruption of the energy supply during the winter was the lack of gas storage facilities in this country? How will he deal with that?

Malcolm Wicks: On the day that I said that the country was awash with gas, I had been told by the national grid that the country was awash with gas. I thought it important and, indeed, ethically responsible to present the truth to the House on that day.

It has been a difficult winter, although not as difficult as some Jeremiahs predicted. Unlike other European countries, we never had to cut off energy supplies. Nevertheless, there are crucial issues relating to future storage--which we are addressing--and, obviously, crucial issues relating to future sourcing of gas. We must think about obtaining it not just from our own continental shelf--which we have just discussed--but from a variety of regional sources, and obtaining it through new pipelines, for example from Norway. We must also recognise the emerging importance of liquefied natural gas from Qatar and, indeed, other nations.

David Taylor (North-West Leicestershire) (Lab/Co-op): As a Leicestershire Member, I am naturally attracted by the potential of more than 800 million tonnes of coal in north-east Leicestershire, in the constituency of the hon. Member for Rutland and Melton (Mr. Duncan). Can the Minister confirm that the review will consider carefully the potential of carbon capture, and that geological sequestration in the oil and gas reservoirs of the North sea has some potential? Does he acknowledge that more investment may be necessary to establish the possible benefits?

Malcolm Wicks: I think that that has huge, indeed mammoth potential. Given that the world will be burning huge amounts of carbon--fossil fuels such as gas and coal, not least in China--for a century or more, the only way in which we can square the circle and meet the challenge of climate change is to ensure that we promote technologies that can strip out carbon dioxide and store it safely, for example under the North sea. I heartily agree with the significant point that my hon. Friend has made.

Mr. David Jones (Clwyd, West) (Con): The Minister has fairly acknowledged that one of the unfortunate consequences of the renewables obligation has been the skewing of the electricity market in favour of wind power at the expense of other technologies. Will he also acknowledge that tidal power is a far more reliable potential source of renewable energy than wind, which is inherently unreliable? What consideration has he given to the proposals for a tidal lagoon off the north Wales coast?

Malcolm Wicks: A number of ideas of that kind are being discussed. We have been backing marine technologies, both tidal and wave-power projects, for a number of years. The Secretary of State recently announced £50 million of funding for research and development relating to marine projects. They are exciting technologies, which could make a significant contribution in the future.

The words of caution, however, are "in the future". These are relatively new technologies, which to some extent are as yet unproven. Not many of them have been, as it were, tested in the water for long periods. It is important for industry, supported by Government whenever possible, to recognise and back new technologies to establish which can penetrate the market. As I have acknowledged, that has an implication for the renewables obligation. It also has an implication for grant aid from Government, and we are, indeed, putting our money where our mouth is.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Minister agree that there are many hundreds of millions of tonnes of coal not only in Leicestershire, but throughout the area from Yorkshire to the coast and in north Lincolnshire? All that needs to be exploited in a clean fashion, but will he remember that when we talk about coal as part of our energy total, we should not talk too much about imported coal? We should talk about using what we have within our own shores, because it all has to be paid for; we do not want to be held to ransom on three different fronts. As for these wind farms, good as they are, nice and pretty as they are, the truth is that if we had to rely on them, we would have to have them at Buckingham palace, Highgrove and all the rest of the royal palaces.

Malcolm Wicks: Right. I am shocked that my hon. Friend has got hold of our secret list of potential sites, including--[Laughter.] Of course, hot air potential is another source of renewables. My hon. Friend makes a serious point and, with respect, it is so serious that we should not pit one energy source against another; we will need a range of different sources to deal with climate change and energy supply. The review is looking at British coal, a great deal of which is still underground. If we can relate clean-coal technology to it, we can see whether it has a future.

Mr. Edward Davey (Kingston and Surbiton) (LD): On the future of nuclear in Britain's energy supply, can the Minister confirm that, following the decision to extend the life of Dungeness B last year, other existing nuclear power plants could have their lives extended by between 10 and 15 years? Is this option being considered in the energy review, and what discussions has he had about it with the nuclear installations inspectorate?

Malcolm Wicks: There are one or two issues associated with extending the life of such plants, and here, I should strike a note of caution. The Nuclear Decommissioning Authority has a major challenge on its hands: to decommission existing nuclear plants and to tackle the waste issue as seriously as possible. I attach real significance to that objective, but as I said, one or two issues are being explored. I am always impressed when individuals and political parties that are fundamentally opposed even to considering future nuclear nevertheless urge me to keep existing nuclear reactors.

John Robertson (Glasgow, North-West) (Lab): Does the Minister agree with me that the anti-nuclear bias that was evident in a previous question seems to be present, according to reports, in the submissions to his review? Does he also agree that research and development in the nuclear industry has put a lot of money into this country's coffers, and that the United Kingdom should increase its nuclear R and D in order to add to the Chancellor's money?

Malcolm Wicks: Our position has always been to keep the nuclear option open. The Prime Minister has asked us to consider this issue and to come up with proposals by the summer, and we are looking at it very seriously. Nuclear contributes some 18 to 19 per cent. of our electricity, and 9 per cent. of our total energy supply for all forms. The case for new nuclear is strong; however, concerns about waste and safety, and the need to consider the economics and to make a cost-benefit analysis, are also important factors. As I said, the outcome of our review will be reported to the Prime Minister, and to the Secretary of State for Trade and Industry, by the summer.

Mr. Alan Duncan (Rutland and Melton) (Con): A lot of hard work is going into the energy review, both in this House and outside. It is clear that the Prime Minister has pretty well made up his mind that he would like a new generation of nuclear power stations, but potential investors will want to know what the waste regime will be. The Committee on Radioactive Waste Management has said that waste should be buried very deep, but does not think that an appropriate site will be found for decades. Filling the generation gap is an urgent matter, but how can anyone invest in nuclear if the uncertainty over the waste regime continues?

Malcolm Wicks: The hon. Gentleman makes a good point, and we need to achieve certainty on the waste issue. Stage one of that process is the work being undertaken by the Nuclear Decommissioning Authority in clearing up the waste legacy of many decades at a large number of sites. Stage two involves the important work being done by CoRWM. It has produced some preliminary work, but will report in full by the summer, on securing a medium to longer-term resting place for the waste. It is critical that the Government make a judgment on the CoRWM recommendations as soon as possible--partly because it is a disgrace that Governments and Parliament have not tackled the problem in the past 30 or more years, and partly because there is a need for certainty, as the hon. Gentleman said. Everyone involved tells us that they want long-term certainty in our energy policy, and that means certainty over several decades.

Mr. Duncan: The Prime Minister seems very keen on nuclear, but the Minister seems very keen on coal. He said:

"The environmentalists may not like that, but tough."

To be fair, he said that because he thinks that coal-powered generating stations can capture the carbon, but will he name a single company that is capturing carbon commercially, other than for the purpose of enhanced oil recovery?

Malcolm Wicks: No, I do not think that I can, as these are still relatively early days in the story of carbon capture and storage. I spoke about being tough, but it was what I said in the next couple of sentences that was important--that we therefore need to develop the technologies of carbon capture and storage, and of clean coal technology in particular. Unless we do that, we will be in trouble globally, given the developments in China. That represents a great manufacturing opportunity for British industry: if we in the UK can demonstrate the importance of clean coal

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technology, we will be one of the world leaders in the export of that expertise.



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