

Prime Minister lays out her plans to deal with energy costs

The new energy strategy announced by the Prime Minister the Rt Hon Liz Truss to parliament this morning will cap energy bills at £2,500 per year for an average household, a saving of about £1,000.

The Prime Minister said: "We are in a very, very difficult situation and I am committed as Prime Minister to do everything it takes to resolve the situation, to help people with their energy bills and to make sure we have security of supply for the long term."

Ms Truss opened the debate on her

motion on UK Energy Costs, and particularly to limit rises in energy bills, by saying: “Earlier this week I promised I would deal with the soaring energy prices faced by families and businesses across the UK. Today I am delivering on that promise. This government is moving to introduce a new energy price guarantee that will give people certainty on energy bills.

“It will curb inflation and boost growth. This guarantee which includes a temporary suspension of green levies means that from the 1st of October a typical household will pay no more than £2,500 per year for each of the next two years while we get the energy market back on track.”

The Prime Minister confirmed that the new policy has been agreed with energy providers. There was a bit of fuss in the House of Commons as the statement was not available to opposition MPs ahead of it being delivered, and the Speaker commented he hoped this was not how the government would work in future under the new Prime Minister.

Businesses will get much the same support from the government for around six months.

The expected cost to the UK Government is estimated at £150 billion.

It was confirmed during the statement that there will be no windfall tax to pay for the policy which Opposition Leader, Sir Keir Starmer said the obvious consequence is that the “bill will be picked up by working people”.

Instead the Prime Minister set out how the costs would be defrayed. This will include 100 new licenses for oil and gas which might be awarded, and will include speeding up clean and renewable technology.

The Scottish Greens Energy spokesperson, Mark Ruskell MSP, said: “Liz Truss’s plan is the worst kind of climate vandalism. We can’t drill or frack our way out of a crisis.”

“Nuclear is neither safe, secure nor welcome.

“It is only nine months since COP and Downing Street’s warm words have already turned to dust.

“We are on the verge of an environmental catastrophe. The millions of families who are being hit by rising prices and skyrocketing bills can’t wait, and nor can our climate.”

“This simply isn’t good enough. Millions of people are facing a choice between starving or freezing this winter.

“What she is proposing does nothing to tackle the climate emergency, and nor does it tackle the cost of living crisis. She’s planning to spend £100 billion effectively subsidising corporate profits while locking bills in at a cost that is still far too high.

“At the end of the day it will be taxpayers that will have to pay that back. That’s the wrong way round. We’ve got an opportunity now to nationalise the five big electricity companies and make them work for people and the planet.

“That would enable us to invest in our homes and in renewable energy and the jobs of the future.

“Instead we’ve got a government that wants to frack beneath our ground and do even more drilling in the North Sea, which would only worsen the climate crisis.”

FRIENDS OF THE EARTH

Friends of the Earth Scotland are outraged at the UK Government who will, as they see it, borrow more to bolster oil company profits. The ban on fracking is to be lifted although Scotland has a ban on that process of extracting shale gas. The campaign group say that independent advisers say that increasing the UK supply of oil and gas will have no impact on household bills as the prices are set by the international market.

Friends of the Earth Scotland’s head of campaigns Mary Church said: “The impact of measures announced today to stop the immediate rise in household bills is welcome, but the approach taken by the new Prime Minister singularly fails to address the fundamental problems of a broken energy system that serves only to enrich oil company bosses and shareholders.

“The money the UK Government is borrowing will be pumped straight into the coffers of oil companies when it could have helped deliver the transition to clean, reliable renewables. People in the UK are being robbed by fossil fuel companies but instead of making them pay for the harm they are causing, Liz Truss has decided to borrow more money to keep paying the robbers.

“This energy price crisis is being driven by the price of fossil fuels and the only sure fire to prevent this happening again is a rapid and fair transition to renewable energy and a scaling up of energy efficiency.”

+ NORTH SEA OIL & GAS LICENCES

“Burning oil and gas is driving the climate emergency that sees tens of millions displaced by floods in Pakistan and has

brought extreme heatwaves and drought across the UK. The UK Government is denying the reality of climate change by encouraging companies to seek out more fuel for the fire that is engulfing the world.

“The Scottish Government must be willing to stand up to these reckless plans to expand fossil fuels and hand out more licences for oil and gas companies to explore and drill in the North Sea. Ministers at Holyrood must speak out and use all the tools at their disposal to block any plans to further lock us into the oil and gas that is driving both the climate and cost of living crises.”

+ FRACKING

“The move to try reopen and force through fracking is a disgrace. Not only is the industry incredibly harmful in climate terms it also brings with it serious local health and environmental risks. Its laughable to suggest that fracked gas will deliver within 6 months. Communities have already successfully fought and stopped it in Northern Ireland, England and Scotland so wherever this dirty dangerous industry is proposed, it will be opposed once again.”