

Energy Review

Constituents from Pontefract and Castleford constituency have outlined a number of arguments, which they would like to see submitted into the Government's Energy Review.

Security of supply in the current international climate

In the current international climate there is considerable risk from a strong dependence on imported energy. Gas for example would have to come into the country through a relatively small number of international pipelines, which might be vulnerable to terrorist attacks. It could also be extremely dangerous if the country's energy supply were to be almost wholly dependent on a small number of pipelines originating in places over which Britain has no direct influence (e.g. Russia, Algeria).

Economic dangers from monopoly of supply

Independent evidence has suggested that there would also be considerable economic risk from too great a concentration in Britain's energy sources. The energy market is not a market just like any other. Although the energy market is run by private companies, Government has a responsibility to ensure a safe and reliable supply of energy.

The fuel crisis in the autumn of 2000 revealed the alarming extent to which our economy is affected by the blocking of one supply route of energy. This is one example of what could happen if one energy source; such as petrol, is blocked and how that affects the rest of the economy.

In addition, research conducted by the House of Commons Library in 1998 showed how Britain's economy would react to the country being 75% dependent on UK Gas and what would then happen if gas prices doubled:

- Prices would be 1.25% higher than they would otherwise have been, one year after the increase in gas prices
- Economic growth would be 1.00% lower than it would otherwise have been, three years after the increase in gas prices.
- Unemployment would be 50,000 higher than it would otherwise have been three years after the increase in gas prices.

The implication if Britain should become even more dependent on one energy supply or an essentially imported energy supply would obviously be even more significant.

Level playing field

Given the need to satisfy diversity and security of supply, our energy market clearly needs to be regulated. Energy policy and regulation should aim to achieve security and diversity, and to support fair competitions wherever possible. In particular, it

should ensure that the market is not distorted in favour of concentration on one fuel alone or towards greater monopoly of supply. Miners in Pontefract and Castleford feel strongly that British coal does not have a level playing field, both in relation to gas and imported coal. They are aware however that the Government has already taken considerable action on this front and that the situation for coal has improved significantly since 1997.

Clean coal technology

Although coal is not able to compete with some other energy sources on an environmental level, neither should it be unfairly targeted when identifying and achieving environmental targets. Could there be increased support for the coal industry to enable coal fired power stations to reduce emissions?

Local employment

Jobs in the coal industry are concentrated in particular areas. In the Pontefract and Castleford area, over 1,000 jobs are directly linked to the coal industry. Any decline in the coal industry would therefore have a significant effect on the entire local economy.