



ENERGY BILL DEBATE

‘(1) The Secretary of State shall make regulations within one year of the passing of this Act with the purpose of requiring designated energy suppliers to introduce a renewable energy tariff for specified producers of renewable energy.

Alan Simpson (Nottingham, South) (Lab): I beg to move, that the clause be read a Second time.

Alan Simpson: The Minister for Energy just made the point that we want to empower citizens to take a more active lead in addressing the challenge of climate change and the shift to renewable energy systems. In many ways, new clause 4 specifically addresses that challenge. Internationally, it is arguable that the mechanism it deals with is by far the most effective one for engaging citizens and delivering a dynamic sense of change.

In presenting this new clause, I begin by giving credit to those who have given enormous support, in the House and outside, to the principle behind it and the commitments we are asking the House to enter into today. There is an astonishing array of supporters of the new clause, including the House Builders Federation, the Institution of Civil Engineers, the Institution of Mechanical Engineers, the Federation of Master Builders, the National Farmers Union, the WWF, the Royal Society for the Protection of Birds, the Trades Union Congress, Greenpeace, the Country Land and Business Association, the UK Green Building Council, Energywatch, the Energy Saving Trust, the Co-op Group—which has clad its own headquarters in solar panels—Sharp UK, Solarcentury, National Energy Action, the Solar Trade Association, the Ground Source Heat Pumps Association, and interestingly enough, Lily Allen and The Premises studios.

In these days of celebrity, it almost becomes obligatory to have a celebrity on board when arguing a worthy cause, but Lily Allen has a fair claim to be recognised as part of that list. She and the company that she is part of in The Premises studios in Hackney, London, have installed an array of about 18 solar panels on the roof—similar to the array on my home—which generate the electricity that powers the studios. I know that she has written to all of my parliamentary colleagues to say that such action should not just be the prerogative of those in a position to do it as a matter of principle. The Government should reach out actively to promote it in order to make citizens the drivers of dynamic change.

In this House, we have to ask how we begin to bridge the gap between UK undertakings and where we need to be by 2020, and how we bridge the gap between where the UK is now, and the position of many of our international comparator countries. The international picture is this: almost 50 countries have introduced some sort of feed-in tariff legislation. As a result, most of those countries are well ahead of the UK in delivering a proportion of energy from renewable sources. The UK currently delivers about 2 per cent. of its energy from renewable sources. According to the aspirations that have been teased out from the Bill, it is clear that, at best, the UK will reach a position where it might be delivering 5 per cent. of our energy from renewable sources by 2020. We have entered into an EU commitment to deliver 15 per cent. of

our energy from renewable sources by that time. It is quite clear, therefore, that we will need a quantum shift in the policy framework to allow the UK to deliver 15 per cent. of our energy from renewable sources by 2020.

Steve Webb: The hon. Gentleman makes a powerful case, but is it not a source of national embarrassment that in order to get an EU average of 20 per cent., the UK has been set a target of only 15 per cent., because we are starting so late and from so far behind? Does that not reinforce his point?

Alan Simpson: It is an embarrassment, and those who have read the Lily Allen letter will recall that it is described as a “national disgrace”. However, we need to remember that 10 years ago, Germany started from a similar position and already, this year, it has exceeded its 2010 targets. It now delivers more than 14 per cent. of its energy from renewable sources, and it has made a step-change transition within the same sort of period that we will have to make one. None of those achievements is outside our reach; the question is whether the achievements are outside our vision. Do we have the political will to make the shift?

Colin Challen (Morley and Rothwell) (Lab): I fully support new clause 4. I wonder whether my hon. Friend agrees that Germany has gone down that road not just because of climate change or for environmental reasons, but because it wanted a new industrial strategy for creating jobs, wealth and exports without breaching EU state aid rules. Has it not squared the circle?

Alan Simpson: It has squared the circle. When we address costs, it is important that we recognise the phenomenal savings associated with a shift to a feed-in tariff system, and the economic gains that come with it. Germany is an astonishing exemplar of that. I paid tribute to organisations outside this House for their support for the new clause. I also want to pay tribute to support that I have had from within the House. More than 100 of my Labour colleagues have added their names to early-day motion 890, which stands in my name. The collaboration on this matter involves all the Opposition parties, including the minority parties. Every single party has come together behind this new clause—it has the blessing of an almost unanimous House.

I say “almost” because we come to the stumbling block: the Department for Business, Enterprise and Regulatory Reform. So far, we have been unable to persuade the Minister or the civil servants to take the revolutionary step of returning to the House within one year of the passage of this Bill with proposals for feed-in tariff regulations that relate to renewable electricity, heat and gas. I find that sad, because the Government will have it do it anyway. There is a commitment to conduct a review of the microgeneration strategy, and that must report back in six months. During the French presidency, the UK’s 15 per cent. target will be defined. Britain will not be allowed to pay someone else to do the job for us—we must do it ourselves. The matter will be forced back on our agenda, and we must determine the policy mechanisms that will allow us to deliver.

The principal objections that I have heard so far to the new clause are fairly spurious. It is claimed that feed-in tariffs are expensive and that their adoption would somehow mess up the success of the renewables obligation, which Britain introduced six years ago. I shall try to deal with those objections.

First, those who have been involved in discussions with the German Government do not understand the claims that the feed-in tariff system is expensive. It is less expensive than the intervention measures that the UK Government introduced and are currently in place but which have delivered little. The figures from the German Government for feed-in tariff costs last year show that they contribute approximately €35—about £25—to the average German household energy bill. If we total the current UK intervention measures—the climate change levy, climate change agreements, the renewables obligation, the carbon emissions reduction target, contributions from the energy industry and the emissions trading scheme—they add more than £150 to the average UK household energy bill and deliver next to nothing.

The claims that the new clause will mess up the renewables obligation do not stand up either. We could continue with it and the Minister would be free to return in a year with a scheme that did not intrude on support for developing offshore wind, but allowed for a much more imaginative feed-in tariff system relating to a series of initiatives for decentralised energy provision, without which we almost certainly cannot deliver our eco town or eco city aspirations. None is deliverable without a more serious engagement with decentralised energy and a feed-in tariff system.

The renewables obligation needs to be judged on its record. The Minister sent a letter to parliamentary colleagues spelling out how, within six years of its introduction, the renewables obligation has been responsible for generating capacity of 2 GWe. That is the same amount as Germany delivers every year from its onshore wind installations alone. Our record is not one of dynamic achievement and growth. Indeed, the international assessment and that of the Audit Commission suggests that the renewables obligation has historically been an expensive mechanism for delivering little apart from big subsidies to existing energy companies. To break out of that trap, we need to engage with mechanisms that have a track record of working.

My hon. Friend and colleague the Member for Morley and Rothwell (Colin Challen) pointed out that the Germans have not taken action simply to be ecologically pure, but have also been driven by clear economic self-interest. One of the architects of the German scheme, a politician called Herman Scheer, has twice been to the House of Commons to try to discuss the precise economics with parliamentarians. One can summarise it simply: since the introduction of the feed-in tariff legislation nearly four years ago, Germany has created 250,000 new jobs in the renewable energy sector. That industry has a turnover of almost £25 billion. Germany is considering setting its own targets, which double the 2020 commitments of 20 per cent. of energy coming from renewable sources because it is already well ahead of the game. Far from the feed-in tariff system costing the German Exchequer money, reports to the federal Government last December pointed out the huge gains through the sector's driving reductions of energy charges into the system.

Moreover, talking to German citizens makes one realise that a momentum has been unleashed that we would do well to understand and encourage here. I have visited several German cities to examine the operation of feed-in tariff systems. When I asked the mayors what their biggest problem was, they replied, "Keeping up with citizens' demand." Such is the momentum that, in the previous German elections, not one political party would countenance revoking feed-in tariff legislation because that would have been an act of political suicide. The current joke is

that Germans will put a solar panel on anything that does not move. If a dog is asleep in a garden for half an hour, it will wake up with a solar panel on its back.

In Munich alone, there are 1,200 citizens' solar clubs. The momentum gains pace, driving down the unit cost of solar installations and driving up the proportion of energy that renewable sources provide.

Jeremy Corbyn (Islington, North) (Lab): When the system was introduced in Germany, was there much opposition from the energy companies, which faced competition, and is the same happening in this country?

Alan Simpson: I discussed the matter in last year's Budget debate with my right hon. Friend the Member for East Ham (Mr. Timms) when he was a Treasury Minister, and it was suggested that the scheme was contentious and unpopular in Germany. I asked the German Government whether that was the case and they said that it was not unpopular with the public or the political parties but that there had been some trouble with the energy companies. In the previous year, the federal Government or municipal government had to take energy companies to court on approximately 150 occasions for failure to comply with the law. On each occasion, the public won and the energy companies lost. Energy company interests were the most contentious part of the programme. That is a lesson for us in the UK. We have found ourselves too deeply enmeshed in the large-scale corporate interests of a feeding system for the big energy companies, which has not necessarily fed the momentum for change to renewable energy systems throughout the UK.

Fortunately, none of the challenges in Germany about state aid and market distortion was upheld by the courts. The European Court ruled that the feed-in tariff system constituted a perfectly legitimate way to create a dynamic market with a different competitor base. I believe that we must make that intellectual shift.

However, the debate goes beyond traditional terms. The focus has mainly been on electricity generation. Friends of the Earth, the Renewable Energy Association and other non-governmental organisations put a wonderful advert in the national newspapers last week. It tried to capture the contrasts between the UK and Germany through a different perception of our traditional Anglo-German rivalry. It depicted a mythical Euro solar league, with a shoot-out. There was a goal with lots of footballs in the back, an England goalkeeper in a state of despair and a scoreboard that read, "Germany 200, England 1". That is the ratio—200:1—of installed solar generating capacity between the two countries. [*Interruption.*] Yes, there was mention of 1966.

If we widen the focus, the comparisons are even starker. We do just as badly in other aspects of the renewable energy sectors. By the end of 2007, the UK had installed approximately 80,000 solar thermal energy units; in contrast, Germany had more than 1 million. By the end of 2007, the UK had installed approximately 1,000 heat pumps, while Germany installed 44,000 heat pumps in 2006 alone. The contrast in solar photovoltaic energy is between around 2,500 solar roofs in this country and 300,000 in Germany. The UK has 150 wood pellet boilers and Germany has 70,000, while the UK has 17 biogas plants and Germany has 3,800. All that has

happened relatively recently, in the past three to four years.

I want to widen the focus of the debate from just electricity to what we do about renewable heat and renewable biogas. We had a public meeting on that last night. Some interest was generated when it was announced that BERR had a team on heat. [*Laughter.*] Eyes watered and people made discreet enquiries about what exactly that meant. That team is looking into the issue.

Let me address the practicalities of what is already done through feed-in tariff regulations in Germany in those 3,800 biogas plants. Essentially, in our system in the UK, the only way someone trying to reclaim methane from waste—whether it be food, farm or animal waste, or sewage—can receive any assistance or recognition is if the waste is converted into energy at the plant. That means that the producers of the energy are left with heat at a remote location and huge infrastructure costs in transmitting heat back into the towns or cities where the waste came from.

The Germans said, “Why waste all that effort in creating the ducting for heat? Why don’t we just put it back into the system as gas and allow people to take the credit at the point at which they convert the gas back into energy?” The Germans allow that process to take place at combined heat and power plants that are located in the communities that provide the waste in the first place.

The scope for that process is vast. To put it in context, half the food currently produced in the UK ends up as food waste. A study conducted in Germany at the end of last year calculated that if, at the European level, we used food, farm and animal waste, and perhaps even sewage, for the production of biomethane that we then fed back into our gas systems, by 2020 the entire EU could be economically non-dependent on Russian gas. That is the scale of what is possible. However, we have to make the shift, by changing the rules in order to provide the incentives that will at least allow that to happen.

At a time when Centrica is already telling us that it will not be able to control future gas prices, because we now have to buy gas on an international market, which drives prices up, German companies can offer their customers gas prices that will not rise other than by the retail prices index, because that gas is being generated from their waste.

It has also been pointed out that two forms of waste come out of the biogas production process. One is a solid fuel waste, which is a farm-grade fertiliser, which the companies are supplying back to the farms. Again, we should bear in mind that fertiliser prices doubled for UK farmers last year alone. The ability to supply fertiliser back to our farmers has an economic virtue in itself. The second form of waste is a liquid waste, which turns out to be a biofuel. The Germans are using that biofuel to drive the vehicles to collect the waste from people’s houses in the first place.

That is the sort of virtuous circle that is unleashed as a result of making that shift. The sense of empowerment in the process is driven by that community involvement. Hermann Scheer made an additional point, to which the Minister and the Treasury ought to show some sensitivity.

More than 90 per cent. of investment in the renewables process in Germany comes from individuals, communities, public authorities and the business sector. Why? Because they can all be stakeholders in the process and because they receive payments from it.

We have locked ourselves into a system in which those who are willing to go down that path refuse to do so without Government subsidy. However, the Germans and almost 50 other countries are showing that it is possible to make the change in a completely different way—one that makes little or no impact on the Exchequer and delivers huge savings and growth in the economy as a whole.

Dr. Brian Iddon (Bolton, South-East) (Lab): As my hon. Friend knows, I raised this issue in Committee. The Government's response was twofold: first, that there is a pressure problem in feeding biogas into the British mains system; secondly, that biogas has impurities that have to be removed. Has he studied those two issues in the German context, and what can he tell our hon. Friend the Minister about them?

Alan Simpson: I have indeed looked into the problem. The German biogas plants have said that they need over 91 per cent. purity to meet the purity standards for biomethane. However, they are delivering methane into the system at 95 per cent. purity, so purity is just not an issue. Accessing the system is a relatively minor technical problem. The greater problem is a political problem and concerns whether we should require the system to be open to inputs in the way that the German system is. The key is an acceptance of the need for a progressive shift to decentralised energy systems.

The economic arguments against feed-in tariffs do not stack up. I have repeatedly asked the Minister and the Departments to come up with the figures to justify that. I am happy to have them tested against other, international experience of doing what we are told is not possible in Britain. So far I have not had that evidence, but if we are making a claim, we ought to stand it up to be tested.

Mr. Charles Clarke (Norwich, South) (Lab): Is my hon. Friend aware that utility companies such as Anglian Water in my constituency, which has a sewerage plant outside the constituency, are taking steps of the kind that he describes, which are making a difference? However, Anglian Water feels that the renewables obligation certificates system, current arrangements and incentives work against its developing in that way, and that it would need some kind of incentive, of the type described in the new clause, to take that work forward. Such companies, which operate at a bigger level than microgeneration, need some form of incentive to encourage that kind of work, which they want to do.

Alan Simpson: I understand that. The problem is that such companies would lose their entitlements to ROCs if they were to put the gas back into the system and take it out where it is needed, yet that is the most coherent way of doing this. There has to be a change of rules.

It is important that the House understands that the potential gains apply far more widely than just to the big energy generators. We brought some of the German companies across to talk to communities in the UK. Some of them are able to say, in relation to some areas, "Not only will

we build the biodigester plant for free, in exchange for a 10 or 15-year contract to reprocess the waste, but we will enter into partnership agreements with the citizens who are our customers. If they supply the waste, we will pay them for it and convert it back into energy.” That is what the feed-in tariff allows them to do. It allows citizens to become the drivers of the agenda for change. What is more, it delivers change on a scale to which the UK does not even aspire. In Germany, last year, that measure alone delivered 97 million tonnes of carbon savings. That is 10 times the UK’s aspirational target, which we are nowhere near delivering. Perhaps we do not have big enough dreams.

Dr. Whitehead: Does my hon. Friend accept that different forms of incentive are needed to ensure that renewable gas is either put into the system—which I think is the right way forward—or used in a way other than indirectly to get ROCs by generating electricity? Such incentives either already exist under the current RO system or could easily be organised using a feed-in tariff that would apply primarily to microgeneration. Does he think that either a renewable gas obligation or some form of obligation concerning the efficient use of heat would be appropriate?

Alan Simpson: That is a legitimate point to address. One of the great virtues of the new clause is that it gives the Minister and the Government a year in which to address the specifics. There is nothing to bind the Minister to a particular scheme or set of thresholds. Indeed, it invites him to explore as widely as possible what are the most appropriate ways of dealing with renewable electricity, heat and gas. It is an invitation to come up with the most appropriate schemes. I cannot see why there is a reluctance to engage with that, given that the only commitment that is required is to say that we will come back within a year with something that will deliver change, rather than continually consult on the process.

Jeremy Corbyn: In his suggestion, will my hon. Friend make it clear that his definition of biofuels involves the use of food waste, farm waste and other forms of waste to generate gas with which to generate energy, rather than crop-related biofuels, which are very damaging to food supplies in general?

Alan Simpson: Absolutely. It is important to recognise that we should not go down such a damaging path. The displacement of food production from agricultural land for fuel-based production would be disastrous. We can address the issue by managing our waste. For those who have missed that dimension of the issue, it is worth pointing out that when the 2010 EU directive on landfill comes into effect, the UK could end up with a daily bill of £300,000 under our current waste framework, because we have not come up with solutions to deal with our present waste levels. The proposal offers all sorts of ways out of the problem.

Mr. Hugo Swire (East Devon) (Con): On that very point, does the hon. Gentleman agree that there is some confusion among the agricultural community? At one point they were encouraged to grow alternative crops in order to feed the fuel need, but they are now being told that that is the wrong thing to do. I appreciate that the hon. Gentleman is talking about something marginally different, but this is a very significant point, because the agricultural community is now in limbo, not knowing whether to grow those crops or not.

Alan Simpson: That is a perfectly valid point, but again I would draw colleagues' attention back to the comparison with Germany, where the farmers are part of this process. Some farmers grow crops and have solar panels; some farmers rear livestock and have solar panels; some have set-aside and solar panels. Huge amounts of renewable energy from the sun are thus coming from the farms and farmers of Germany. If we are examining the dynamics of a rural agenda to address both food and energy security, all the lessons in how to do so are there within the feed-in tariff structure that is already in place in Germany.

Let me finish with this point. The great message that I want the Minister to hear is that all parties throughout the House have stood solidly alongside each other on this issue, inviting the Government and the Minister to take hold of the reins and give a lead in the knowledge that there will be no political division. There should be no political division, particularly around an issue that the Government will in any case be forced to accept within a year. My concern is that I want to be part of a Labour Government who do not have to be dragged kicking and screaming into the present, let alone the future. That is why I ask the Minister yet again to take over the ownership of the new clause and incorporate it into the Bill, to continue the process of taking forward an issue that unites the whole House, and probably the whole country, in a real dynamic that will give us a sustainable energy future.

Charles Hendry: I begin by paying tribute to the hon. Member for Nottingham, South (Alan Simpson) both for tabling the new clause and for the immensely authoritative way in which he introduced it. He spoke about the importance of having Lily Allen and other celebrity endorsement. For many people, however, he is the star of this debate—[Hon. Members: "Hear, hear."] He has been the driving force, putting the issue on the agenda so that it is no longer peripheral but absolutely mainstream to the whole energy debate.

As the hon. Gentleman said, we need to see the issue against the background of the immense challenge we face. If we are to come close to the European target of getting 20 per cent. of our energy from renewables by 2020, it translates into securing about 40 per cent. of our electricity generation from renewables. That is an immense challenge, but given our overall needs for renewable energy, not just electricity, it is a huge mountain that we have to climb. If we are to succeed, we need every bit of help we can get. It means having onshore and offshore wind; it means exploring the potential of the Severn barrage.

On Monday, I was looking at the barrage in La Rance in France to see what lessons we can learn from it. We need to look into biomass, solar, thermal and ground sources, air source and heat pumps, and we need to look fundamentally at microgeneration. Our vision should be to make as many households as possible not consumers but generators of electricity. That is the nub of the whole debate.

Ten years ago, the UK and Germany started from the same low base in respect of generating electricity from renewables. Today, whereas we get 2 per cent. of our energy from renewables, Germany gets 8.5 per cent. That was a 1 per cent. increase in just one year in the amount of energy Germany gets from renewables—the same amount that we got over a 10-year period. The key to Germany's success was the adoption of feed-in tariffs, which helped to drive the programme forward. There should be no doubt that the issue is of interest to more people than

just politicians. There is widespread political interest in it, but all the experts in the sector looking at the issue from outside are also pushing in this direction. Today, Terry Barker, director of the Cambridge centre for climate change, which is engaged in mitigation research, and other experts published a letter in the *Financial Times*. It says:

“The policies of the UK government to support the development of renewable energy have seen it become one of the worst-performing countries in Europe and stand no chance of getting the UK to meeting its share of the EU target.

We urge the government to adopt a feed-in tariff policy, which has proved so successful in other countries.”

The Energy Saving Trust, set up by the Government, has said:

“We would welcome enabling measures in the Bill to introduce a feed in tariff and signal the Government’s positive approach to encouraging domestic microgeneration.”

Solarcentury, which has campaigned effectively on the issue, has said:

“Throughout Europe, renewable energy feed-in tariffs are a proven and cost effective measure for promoting the rapid uptake of wind, solar, biomass and other technologies. Feed-in tariffs are the principal support mechanism for renewable energy in 22 European countries.”

The National Farmers Union has also given us advice and support.

The key point is that the new clause does not adopt a prescriptive approach. It is an enabling measure which allows the fundamental decisions to be made elsewhere, and by the Minister in due course. A submission that we received from the Renewable Energy Association states:

“At this stage Clause 4 only commits the Secretary of State to the establishment of a reward scheme for metered renewable energy and to do so within one year. The Clause leaves open until after consultation the detail of how a metered UK tariff would work, which scale and types of renewable technology would qualify and the level of any Tariff.

It is intended that the Tariff works alongside the Renewable Obligation”,so we need not be specific at this stage

Mr. John Redwood (Wokingham) (Con): Will my hon. Friend confirm that given that flexibility, it would be possible to devise incentives for both microgeneration and bigger renewable schemes? I think we wish to encourage both, but they may require slightly different balances or packages.

Charles Hendry: My right hon. Friend is absolutely right. There is no specific provision in the new clause requiring that distinction to be made. Some would argue that a feed-in tariff would be appropriate for larger-scale generation. I think that the renewables obligation works well to encourage both kinds of generation and that we could run the two systems side by side, but nothing in the new clause requires such a decision to be made. The aim must be to achieve the optimal combination from different sources of power. In Germany, private individuals and

investors are responsible for 90 per cent. of the investment in renewables, and just 10 per cent. of the investment comes from the major energy companies. In this country, the situation is not reversed; it is even worse than that.

Mr. Swire: Someone who erected four 10-m high wind turbines at a capital cost of £35,000 could put 16,000 kW back into the grid and receive an annual payback of £500 a year. There is no incentive inherent in that. Does my hon. Friend agree that if we genuinely want everyone to attempt to produce energy from renewable sources, we must move towards the German, or continental, model and provide incentives? Otherwise people will simply give up.

Charles Hendry: The current system provides no incentive, although there is tremendous enthusiasm. At a meeting that I attended in my constituency recently, about 50 people were asked how many of them generated their own heat and electricity. About three hands went up. When they were asked how many would be interested in doing so, every hand went up. There is an enormous appetite for renewable generation. What is holding people back is the lack of the predictable income stream that could be achieved through feed-in tariffs.

I am conscious of the time and I know that others wish to speak, so I shall not prolong the debate. However, I want the hon. Member for Nottingham, South to know that we strongly support his new clause and will vote for it if he pushes it to a Division, because we consider it a crucial part of our attempt to enable this aspect of the energy debate to take off.

I have tabled a new clause and an amendment. New clause 17 concerns the way in which moneys are looked after. Before the renewables obligation, renewable developments were funded under contract to the Non-Fossil Purchasing Agency. The NFPA continues to operate contracts for existing developments. It auctions the renewables obligation certificates and renewables levy exemption certificates that arise from them, and uses the proceeds to service the contracts.

Over time a surplus has built up, as the value of the ROCs and LECs has exceeded the cost of managing the contracts. Clearly that surplus has been contributed by customers for the purpose of renewables development. At present, however, that money simply sits on the Chancellor's balance sheet as yet another stealth tax. That was recognised in the Sustainable Energy Act 2003, which provided for £60 million of the surplus to be spent on renewable energy. That funded the grants for round 1 of offshore wind and it has been fully spent. However, some £180 million is currently sitting unused in the surplus account. It could be used to help to develop renewables, especially from market technologies that are further away from development at present, such as marine. The measure I propose would remove the statutory bar that prevents that money from being spent for the purposes for which consumers paid it. It gives the Government an option, but not a duty, to direct that that money is spent rather than treated as a hidden reserve. I hope the Minister will accept it as a step in the right direction.

Amendment No. 65—which we will return to, particularly in another place—addresses the Government's responsibilities to report. The Bill as it stands proposes a reduction in such Government responsibilities in these areas. If it is enacted, the Government will no longer need to report on the following: what is being done on a range of specified energy sources,

particularly renewables and microgeneration; measures being taken to ensure that the necessary expertise is available; and what is being done to achieve their energy efficiency aims, as required under the 2003 Act.

The Bill also gives scope for changing the reporting periods. In future, reports might cover not a whole year but more than or less than a year. At a time when we are trying to get people more involved in these issues, reducing the reporting requirement on the Government is a step in the wrong direction. We want people to have more information and a better understanding of the issues.

The Government are currently trying to take matters in the wrong direction. They have resisted our attempts to get more information on gas storage availability, which is a crucial part of our energy security. They have resisted our attempts to make sure we have a better understanding of the skills base, which is particularly needed in order to build new-build nuclear power stations. They have resisted our attempts to make sure that there is a better understanding of what is being done to tackle fuel poverty. They have resisted measures for consumers to be told how much of their money is going on environmental taxes. We will pursue this matter further. The key issue in this entire Report stage is feed-in tariffs. The hon. Member for Nottingham, South set that out extremely eloquently in introducing his new clause. We will support him today. It is crucial that we push this forward as a way of making microgeneration not just an aspiration in this country but a reality—and one that we can deliver now, so that we do not end up asking in 10 years' time, "Why didn't we start that earlier?"

The way in which the feed-in tariff works in Germany has led to a few perverse consequences, although I agree with my hon. Friend the Member for Nottingham, South that it has been immensely positive in terms of drawing through microgeneration. However, those who install solar photovoltaic panels export all the electricity generated from those panels into the grid, take a feed-in tariff for that and then buy all their domestic electricity from the grid. The perverse consequence of that is the lack of interchange between what those people produce from the panels on their roof and what they consume in their houses. I hope that the review will be the subject of a further energy Bill next year, as has been widely suggested. That Bill should deal with questions such as how we obligate and implement action on renewable heat and make sure that the present escape into the air of heat that has no energy output is covered by an obligation system. Energy companies should be obliged to do something with that heat, or suffer a penalty for not doing so.

Martin Horwood: I should like to join in the congratulations to the hon. Member for Nottingham, South (Alan Simpson) on bringing forward new clause 4, and on the elegant and persuasive way in which he proposed it. I am happy and honoured to be one of the new clause's co-signatories. The hon. Member for Nottingham, South has gathered an extraordinary coalition to support new clause 4. At the last count, 276 hon. Members had signed the early-day motion, and the hon. Gentleman has managed to unite the right hon. Member for Wokingham (Mr. Redwood) at one extreme with the hon. Member for Bethnal Green and Bow (Mr. Galloway) at the other—something that must be virtually unique. He has also brought the National Farmers Union together with Greenpeace, and the TUC with the Country Land and Business Association, and he has generated wide support in the renewable energy sector.

For me personally, though, the icing on the cake is that the hon. Member for Nottingham, South has got the support of Lily Allen. That is extremely welcome: I am sure that he will agree that "All Right Still" is a work of genius, and that "Lily and Friends" is a much underrated show. If the Minister were to accept new clause 4, I am sure that the hon. Gentleman would put in a good word, so it is possible that we will see the Minister on Lily's sofa before too long. That would be great.

More seriously, the Government's direction of travel on this matter has been positive, but once again it seems to be leading us towards more consultation, and possibly yet another energy Bill. The Government seem reluctant to accept even the modest and flexible powers set out in new clause 4. Oppositions are quick enough to criticise Ministers who want to take on too much power, but this Minister should seize this opportunity to be praised from all sides of the House for taking on at least some powers that we all want him to have.

More delay would be a serious concern, as it would mean that we would drift on with this matter into 2009 or 2010, with further primary or secondary legislation—perhaps both—needing to be discussed. The question is why would we need to delay further, when so much work has been done already?

The Government commissioned a world-leading piece of work to analyse policies for climate change mitigation in detail. It is called the Stern report, and it addresses the question of feed-in tariffs in some detail. Stern says:

"Comparisons between deployment support through tradable quotas—in other words, the sort that we have already—"and feed-in tariff price support suggest that feed-in mechanisms achieve larger deployment at lower costs. Central to this is the assurance of long-term price guarantees...the levels of deployment are much greater in the German scheme and the prices are lower than comparable tradable support mechanisms".

Stern goes on to say:

"Contrary to criticisms of the feed-in tariff, analysis suggests that competition is greater than in the UK Renewable Obligations Certificate scheme. These benefits are logical as...uncertainty...discourages investment and increases the cost of capital as the risks associated with the uncertain rewards require greater rewards."

In other words, the price guarantee delivered by feed-in tariffs offers a better environment for investment. The investment that has been delivered in Germany is striking, as it has engaged a far wider array of investors than the traditional energy companies. The Renewable Energy Association has pointed out that just 10 per cent. of investment in the German feed-in tariff scheme has come from the major energy companies, while 90 per cent. has come from private individuals, private investors and municipal energy companies.

That is a remarkable opportunity and a key part of the success of the German scheme. That is why the German Federal Environment Ministry expects the scheme to save 52 millions tonnes of CO₂ in 2010 alone, and why Germany has 10 times more wind power than us, according to Greenpeace, and 300 times more solar power. That is why Germany benefits from 170,000

people working in the renewable energy sector, which is worth €8.7 billion to its economy.

If Stern is not enough, there is further Government-commissioned advice. Their specialist low-carbon technology agency, the Carbon Trust, has also addressed feed-in tariffs. Its July 2006 report said:

“The most efficient solution in terms of cost per unit of energy and achieving maximum offshore wind capacity by 2015 involves moving away from the current RO towards a fixed mechanism... Feed-in tariffs have been proven to be successful elsewhere (Spain and Germany) in generating significant deployment of low-cost renewable energy. The analysis suggests that a Renewable Development Premium—a feed-in tariff—in the UK will result in 8.8GW of additional wind capacity by 2015, when combined with additional funding... This is c.3.5GW more wind capacity than the base case representing the current RO policy”.

If all the work, the views of the agencies and the consultations are not enough, will the Minister listen to the Secretary of State? On Second Reading, he said:

“Germany has benefited from a consistently supportive policy for renewables since the early 1990s, and it is paying dividends. That clarity and consistency of approach has been a big part of Germany’s success, which we celebrate with our German colleagues...UK renewables investors have highlighted certainty and consistency as two of the factors that will be crucial to continued and rapid growth and development of renewables in the UK.”—[*Official Report*, 22 January 2008; Vol. 470, c. 1368.]

Kelvin Hopkins (Luton, North) (Lab): On that basis, can the hon. Gentleman explain why the Government do not now simply imitate precisely what the Germans are doing?

Martin Horwood: There are differences between the German and British energy markets; for example, we have a more deregulated and liberalised market. However, if the hon. Gentleman is suggesting that we should move towards the German model much more quickly, I entirely agree.

I give due credit to the Minister because, in Committee, he seemed to be moving in the direction of feed-in tariffs. However, in the words of the hon. Member for Nottingham, South, we need quickly to unleash much greater momentum. I am afraid that the Minister must move considerably faster, and new clause 4 is the method by which he can do that.

Paddy Tipping: The hon. Gentleman is right that the Minister was encouraging in Committee about feed-in tariffs. However, does he agree that the renewable obligation and feed-in tariffs can work in tandem?

Given that, surely careful thought is needed about how they can be introduced so that those things work together effectively.

Martin Horwood: I agree absolutely. During the Committee’s evidence sessions, we specifically asked several expert witnesses whether the renewables obligation could continue alongside the

introduction of feed-in tariffs, and the consistent view was that it could. Care must be taken with the introduction of such tariffs, but that is why the hon. Member for Nottingham, South has wisely included a provision in the new clause for a 12-month lead-in time. If that is not enough, we are doing something fundamentally wrong. If the Minister accepts new clause 4, he can really start to put his foot on the accelerator, if that is not an inappropriate phrase for a low-carbon debate.

The Government need to grasp the urgency of the situation. I would love to quote a lyric from the Lily Allen song "Alfie" that sums up exactly what is needed, but it would certainly be unparliamentary language.

The gist of it is that there is an urgent need to dismiss distractions and get on with what really needs to be done. I agree with the hon. Member for Wealden that new clause 4 is the single most important opportunity to ensure that that happens that we are being offered today.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): I will not detain the House long. I have been struck by the fact that as I am opposed to nuclear power being developed, I face the discipline of having to consider all the other forms of energy that might make up an efficient energy mix in future. I have considered what my hon. Friend the Member for Nottingham, South (Alan Simpson) said about feed-in tariffs; he explained better than I could that they are efficient, help to ensure security of supply, and help to produce a plurality in the energy market that would otherwise not be there.

I am also struck by the idea that if we are not careful we will construct a process that is very much in the hands of big power, whether that is nuclear power or any of the array of providers that will be in place. The process that my hon. Friend outlined involves a democratisation of the argument; I wish that he had said a bit more about that. New clause 4 would bring local people into the process in a different way, and would produce a plurality in the market that could generate efficiency. To people who are interested in competition, I add that it would create greater, better and efficient competition.

Some of my hon. Friends are concerned about how the measures fit with the other obligations. As I understand it, new clause 4 says, "Go and consider the issue for 12 months, and come up with mechanisms that produce not conflict but co-operation and collaboration that results in the best of both worlds." I would have thought that the term, "a third way", might have been tempting for some Labour Members. The new clause also does other things: it imposes a discipline on us to ensure that what I have outlined happens. I say to my hon. Friends that the review in the summer and the other measures mentioned are necessary—in fact, they should happen in any event; they are just matters of efficiency—but if the new clause is added to the Bill, it will provide the discipline that will ensure that things happen in a structured way. It will give the House the capacity to understand, monitor and control the process, so that it comes back to us.

Let me reinforce the point that the new clause is one way of ensuring that, in future, individuals can understand where they are, in terms of the consumption, supply and generation of electricity, because it allows communities to get involved, as well as individuals. It allows

collective capacity; it is not just about an individual putting a windmill on their roof. The measure is about communities, planning, consent, and co-operation. To me, the democracy argument is as important as the efficiency argument.

THE RESPONSE

Malcolm Wicks: Minister for Energy

...Finally, I deal with feed-in tariffs and new clause 4, which I know are of some interest to the House. For those who take an interest in contemporary Labour history, it is interesting to note that this time my hon. Friend the Member for Nottingham, South (Alan Simpson) is supporting new clause 4.

Alan Simpson: I have always argued that clause 4 would be back. [*Laughter.*]

Malcolm Wicks: Indeed.

I am not surprised that we are again revisiting this issue and that there is considerable cross-party support for a feed-in tariff for microgeneration. Although I can appreciate the desire to ensure that we have the right incentives and mechanisms in place to increase the deployment of renewable energy, especially in the light of our EU 2020 target, I cannot—for reasons that I hope to convince the House of—support this particular new clause. It seeks to require the Secretary of State to introduce a feed-in tariff, but it does not specify the size of generation it covers. It could cover all sizes of energy generation, large as well as small. If adopted, that could have a potentially serious effect on investor confidence.

Mr. Swire: Does the Minister agree that it would be an enormous assistance to the production of renewable energy, through the utilisation of waste or bio products, in rural areas such as my own if we had some mechanism that would reward that better?

Malcolm Wicks: Perhaps the hon. Gentleman will allow me to proceed with my argument.

I turn to the effect that amending the Bill in the way suggested would have on large-scale generation. The renewables obligation has been hugely successful since its implementation in 2002, adding some 2 GW of new renewable capacity. Hon. Members sometimes underestimate the momentum now behind renewables in this country and therefore inadvertently talk down the great efforts that have been made by that sector. In addition to the 2 GW that we now have, the renewables obligation has also been the major incentive for the 1.5 GW of renewables capacity that is now under construction, the 6.5 GW that has been consented and is awaiting construction and the 10 GW that is now in the planning process. That amounts to an additional 18 GW of pipeline projects in just six years of operation.

Most weeks, a couple of hon. Members approach me to urge that I not go ahead with a wind farm in their constituency. If we were not doing some of the right things, I would not be getting those representations, although that is not to say that we will always agree to every project.

It is also important to recognise that later this year the UK will probably overtake Denmark as the world's leading nation in offshore wind generation. I am also pleased to remind the House

that some months ago we gave planning consent to the biomass plant in Port Talbot, which will be the world's largest. I do not accept the criticism that we have stalled or are moving slowly on this issue. We started from a low base, and Opposition Members can explain that, because it did not occur under our stewardship—although that is rarely recognised in speeches. We started from a low base, but there is now a great deal of momentum.

Much has been said about the success of feed-in tariffs in other countries, particularly Germany. We should remember that Germany has benefited from a consistent supportive policy, as the Secretary of State reminded us, since the early 1990s—a period when I had no responsibility for such matters. The consistency of that approach has been a big part of Germany's success, giving investors a solid base in which to invest. Consistency is important in relation to the renewables obligation, which is why I mention it. Whatever the merits of feed-in tariffs in other countries, we need to consider what will work best in the UK. I know that it is sometimes tempting to go to a country such as Germany and say that everything looks greener, but we need to beware of simple comparisons.

Feed-in tariffs and the renewables obligation are simply different methods of providing support to renewables projects. There should be no theology about this. We are talking about different mechanisms and which mechanisms might be fit for purpose in the UK.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Is my hon. Friend saying that things are not better in Germany, that we do not have things to learn from that country and that we should not be following it down this road?

Malcolm Wicks: I am not saying that. I want to continue with my argument. We have things to learn from one another when it comes to climate change and carbon emissions. Maybe Germany can learn something from us about the need for a major demonstration project on carbon capture and storage in Germany—another way of cutting carbon emissions. I refuse to believe that somehow things are altogether better in another country than they are in the UK.

Gregory Barker: Will the Minister give way?

Malcolm Wicks: Not just yet, although it is nice to see the hon. Gentleman. People sometimes talk about feed-in tariffs as though they were cost-free. That is not the case. We need to look at the costs as well as the benefits. As the International Energy Agency's 2007 report on the German system recognises:

“The country's feed-in tariff for renewables has resulted in rapid deployment of new electricity capacity, but has done so at a high cost.”

The IEA report estimates that the German feed-in tariff regime between 2000 and 2012 will result in payments of €68 billion, of which some €30 billion to €36 billion will be the additional costs of renewables. It is important to point those facts out. By 2012, the annual cost would be between €8 billion and €9.5 billion.

It is also worth reporting the IEA's finding that solar PV would provide some 4.5 per cent. of

Germany's electricity while taking some 20 per cent. of the potential payments. When we compare systems, it is important that we look at the costs as well as the benefits.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I apologise that I was unable to be present to hear all the Minister's comments. As I left my office, I heard on the monitor some of his arguments against new clause 4 and they seemed reminiscent of those used by the Department on the subject of agency workers: we ought not to do anything here, because it might scupper our efforts in Europe. In fact, Britain was not playing ball with Europe in the most progressive way.

Malcolm Wicks: I think that I need to reflect further on the comparison, which has not immediately struck me as helpful, but it might be. I will reflect on it.

Mr. Swire: Will the Minister give way?

Malcolm Wicks: Not just yet, no, as I have given way to the hon. Gentleman a couple of times. I shall come back to him later.

Alan Simpson: I am grateful for the Minister's comments on the cost, but does he also accept that we need to take on board, in full, the German Government's report on costs and on economic savings that come out of their commitment to renewables? Their figures show clearly that they can deliver savings of up to €5 billion a year, and the economic benefits of 250,000 new jobs generate spending in the economy. Meeting their own energy needs rather than having to buy from external sources is an enormous cost saving as well as a huge boost to their energy security.

Malcolm Wicks: I agree that we need to look at both costs and benefits, but we also need to accept that long-term consistency is the hallmark of the German regime. Therefore, it might not be sensible for us to change horses now and move away from the RO.

Mr. Swire: The hon. Member for Nottingham, South (Alan Simpson) is right to suggest that we need leadership from the Minister and the Government, because we are simply not getting it. The Minister says that he is weighing up the costs and the benefits, but I can tell him that the costs are the subsidies involved, and that the benefit is that microproducers will be encouraged to take energy production seriously. The Government need to lead on this, because otherwise we will fall behind other countries just as we have already fallen behind Germany.

Malcolm Wicks: As far as Germany is concerned, we must remember that the endgame of all the different mechanisms is to reduce carbon emissions. Again, I refuse to accept the simple comparison that suggests that Germany is in a better place than we are—

Gregory Barker: It is!

Malcolm Wicks: I shall explain what I mean, as I want to be helpful to the hon. Gentleman. Per capita carbon dioxide emissions of 9,937 kg in the UK compare with 10,936 kg in Germany, which suggests that something is going right here. Moreover, energy use per capita is significantly higher in Germany than it is in the UK. We have to be careful about comparisons,

because the endgame is about two things—climate change and energy security.

On consistency, industry representatives have told us again and again that they want the Government to ensure that decisions are implemented as quickly as possible so that investors can rely on a stable and consistent policy framework. We have given that commitment, so the new clause could have an effect opposite to what those who propose it intend. Industry and investors have told us that it would be likely to create uncertainty in the market that would lead to delays in new investment.

We are moving forward with reforming the RO. Indeed, the Bill amends the RO to make it sensitive, and it will remain the main policy mechanism for renewable electricity. Any move that threatens to replace the RO would destroy investor confidence and would be likely to result in significant delays to projects coming on line. That could put the delivery of the EU emissions target at risk.

The Government have also received a clear steer from industry that financial support for large-scale generation is not the main barrier to delivering more renewable energy. We are also working hard, as colleagues know, to address a range of other factors, including the planning system and grid access.

I want to turn now to smaller-scale generation.

Mr. Morley: Will the Minister give way?

Malcolm Wicks: If my hon. Friend is not going to talk about smaller-scale generation, I will give way to him.

Mr. Morley: I am grateful to my hon. Friend for giving way. Many of us accept that there has been consistency in Germany about the feed-in tariff, and that we have been consistent about ROs, but all sorts of new micro technologies are being developed and my hon. Friend the Member for Nottingham, South (Alan Simpson) has made a persuasive case about them. The Minister is about to deal with those new micro- technologies, but is he prepared to look at different ways to incentivise that new sector that would not disturb the consistency that he has described?

Malcolm Wicks: As I anticipated, my right hon. Friend's question leads me into the next section of my argument. It is important, because I sometimes think that there is a bit of confusion in the debate about renewable instruments—that is, feed-in tariffs as opposed to ROs. Are we talking about how to incentivise all renewable projects, macro as well as micro, or is the House mainly interested in microgeneration? That is why I now want to discuss smaller-scale generation, which has been the subject of much debate in the media and in this House, especially over the past week or so but also for a longer period of time. I recognise the great support for the early-day motion. I sympathise with, and fully support, people's yearning for appropriate incentives to encourage the faster take-up of microgeneration. Several hon. Members will know that I have long been an advocate of microgeneration, both in principle and through my attempted practice as a citizen. I have long held the view that if we are to tackle climate change and global

warming, there will be important roles for big institutions—the EU, the G8 and the United Nations— big Governments and big corporations. There is also a need for a proper carbon market. However, I have also always taken the view that we need to empower more of our concerned citizens—the recycling generation, if I may call them that, who want to do something about their dwellings and community buildings—to be active citizens on behalf of the environment.

Colin Challen: Will my hon. Friend give way?

Malcolm Wicks: Let me make some progress before I come back to my hon. Friend—[Hon. Members: “Give way!”] I do not think that I will, because my hon. Friend is eager to hear my argument.

Under the low-carbon building programme, we have made some £86 million available in capital grants to reduce the cost of buying and installing equipment. We have removed the need for planning permission for domestic installations that have little or no impact beyond the host property. People have called for that for some time, and the Government—the Department for Communities and Local Government—have listened. We have also announced double the support for all microgeneration technologies under the RO, once banding is introduced. That support will be maintained after the first banding review of 2013.

We often hear that the RO is complex, especially for microgeneration, compared with Germany’s feed-in tariff. I understand that there are 500 different feed-in tariffs in Germany, with about 120 to 150 more tariffs being added each year. That is not the simple, straightforward picture that some people assume is the case. However, we are not complacent about the changes required to simplify our RO. In April 2007, we introduced the use of agents within the RO. Since then, the number of microgenerators accredited under the RO has increased by more than 250 per cent. We have simplified the accreditation form, and such forms can now be completed and submitted online.

Additionally, suppliers are voluntarily, albeit supported by the RO, offering a tariff system for electricity generation from microgeneration—really, a feed-in tariff. For example, Scottish and Southern Energy is offering 18p a kWh to small generators for their electricity that is exported to the grid. However, that is not all. We will launch a consultation this summer on what we should do to increase renewable energy use to meet our share of the EU 2020 target.

That will cover a broad range of issues and involve collaborative efforts across Government and with business, consumers and the wider community. The proposals will strive for the best value for money for UK taxpayers and consumers. As the Prime Minister explained in November, we want a serious national debate about how to achieve our targets.

Some hon. Members will be aware that I announced in Committee that as part of the strategy, we will examine a range of options further to support microgeneration, including a consideration of whether a feed-in tariff might be a better support mechanism than the renewables obligation for small-scale generation—I am thinking of domestic dwellings, community schemes, small civic buildings and small businesses. It would not be right to impose

a requirement to introduce a feed-in tariff now without first carefully examining precisely how it would operate, whether there might be better alternatives, and the impact that it might have. We need to be confident that any legislation covers all scenarios and does not impact negatively on existing legislation. In my view, such work can be taken forward only in the wider context of what else we might do to meet our target.

Colin Challen rose—

Malcolm Wicks: I give way to my hon. Friend.

Hon. Members: Never give up!

Colin Challen: I had nearly given up. I appreciate a great deal of what my hon. Friend the Minister says. There are lessons to be learned from Germany; one of them is that Germany is still proposing new coal-fired power stations without carbon capture and storage, so it is not all green on the other side of the street. My question is: if a group of people want to come together to set up some kind of community microgeneration, why should we set an artificial cap on the power that the group can generate? I think that he is saying that we would artificially cap microgeneration at, say, 50 kW to preserve the renewables obligation.

Malcolm Wicks: As we saw in the case of micro-hydro, there is always the issue of where one draws the line, yes? [Hon. Members: "Yes!"] I am happy to draw the line under the positive arguments that I am putting forward. [Laughter.] It is nice to amuse the latecomers. As I have said, I recognise that there is a financial gap in the renewable energy strategy, and that there is a need for a new financial incentive. We will look properly at feed-in tariffs—I said that weeks ago; I am not just saying it today—and at other mechanisms for householders and community schemes. I understand the importance of what my hon. Friend says, because renewables should not solely be about big corporations doing things to local communities. We should enable communities to do things for themselves as part of the active citizen agenda.

I hope that hon. Members are reassured that we are taking the issues seriously. After the renewable energy strategy, we will bring forward appropriate proposals—including proposals for legislation, if necessary—as soon as possible. I ask my hon. Friend the Member for Nottingham, South to consider withdrawing new clause 4 in light of my comments.

Alan Simpson: I have listened to the concerns and arguments that the Minister has put forward. Let me try to address two of his concerns, and then his arguments. The first concern is about the commitment that he has already made to considering the issue of microgeneration. The great difficulty is that there is a whole series of issues that the Government have agreed to consider. For instance, they agreed to look at the 2010 fuel poverty targets. Unfortunately, having done so, they decided that the targets were too difficult to reach, and that we will not meet them, so that commitment will not get us out of the mess that we are in.

Secondly, the Minister expressed concern about the fact that if a feed-in tariff scheme were applied too widely, it could create chaos. He did not mention the fact that he would be in charge of determining how widely the scheme would apply, so the chaos would be his, as is the current chaos. We have to recognise that although good things that are beginning to happen, they are

beginning to happen in a country that is at the bottom of the European renewables league. There is nothing in our programme that will allow us to meet the 2010 targets to which we have committed ourselves.

What we are asking colleagues to vote for, through the new clause, is a commitment on the part of the Government to come back within a year with a framework that sets out how we would introduce appropriate feed-in tariff legislation that applies to the different technologies and to electricity generation, heat generation and the production of biogas. We are talking about a timetable, more than anything else.

Let me explain the significance of the timetable. Last December, our Government sent Ministers to the conference on climate change in Bali. The scientists reporting to that conference said to global leaders that in the next five to eight years we will determine the fate of the generations that will follow. It is what we do in those five to eight years that will determine whether we pass the tipping-point for climate chaos or not. We cannot avoid having to deal with the crises ahead of us, but we do not need to allow chaos to develop. That requires us to act on a dramatic scale now. There is nothing in the framework before the House that will allow us or equip us to take that step. I am asking colleagues from all parties in the House to have the courage to take that step.

I know that many of us have mentioned the name of Lily Allen during the debate, but I hope she will forgive me if I end with some lines from another singer, Tracy Chapman, who sung:
“A love declared for days to come,
Is as good as none.”

Consultations without commitments are as good as none. The House today has the opportunity to make a commitment that crosses party divides, that crosses interests in society, but that unites us in a commitment to deliver something meaningful and sustainable. I hope we have the courage to do so.

Question put, That the clause be read a Second time:—