

[Why we really do want a carbon tax](#) [1]

Written by [Tim Worstall](#) [2] | Wednesday 26 September 2012

I know, I know, climate change isn't happening, it's all been made up. OK, so, for the next few paragraphs let's just assume that it is, we're causing it and also that we need to do something about it. And here's yet another example of what we want and need to do about it is a simple and straightforward [carbon tax](#) [3]:

Scottish Renewables said that although the review had reduced connection costs for generators based on the mainland, estimated projected annual connection charges for the Pentland Firth and Orkney Waters area have almost doubled ? from £56 million last year to £107m in 2020. Had the affected projects been built in the UK's other Marine Energy Park, in the south-west of England, they would instead receive an annual subsidy amounting to around £2m.

The point here being that connecting the Orkney Islands to the national grid is bloody expensive. Connecting Cornwall to the grid isn't (even if connecting it to the 21 st century still has some way to go). Thus, assuming that we actually want tide and wave power to be used to run washing machines in London we should be connecting up Cornwall and not the Orkneys. This is what prices do for us, give us the information we need to make decisions.

In addition, the increasing capacity of renewable electricity due to be generated in the Orkney waters from wave and tidal projects will require a new, larger grid cable at additional cost. The Government has the power under the Energy Act, as amended by the Climate Change and Sustainable Energy Act, to adjust transmission charges for renewable electricity generators in a specified area in the UK. Stuart called on the Government to use this power, which can be exercised if renewable development in a particular area is likely to be deterred or hindered to a "material" extent by the level of transmission charges that would otherwise apply, for the benefit of projects in the Orkney Islands. "We would like to see the Secretary of State for Energy and Climate Change use his powers to adjust the transmission charges and ensure costs do not deter renewable energy generation in the north of Scotland, home of the world's leading wave and tidal sector," he said.

And there's our problem with the current system. Having given the Sec of State the power to intervene then the political pressure is on the Sec to intervene and ignore prices. And make our solution to climate change ever more expensive for political reasons.

Oh, did I mention that the constituency is the longest held Liberal/Lib Dem seat in the country? The same party as the relevant Sec of State?

As at the top, assume that climate change is happening, it's a problem, we're causing it and we must do something. What we must do is therefore change just one thing, the price of carbon. Instead of this appalling mish mash of regulation and political favouritism that we currently have. For we can see that when politicians have the power to pick and choose they're always urged to pick and choose the method that picks our pockets even more. What's worse, they often agree to do so.

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