



Labour’s energy price ‘doom loop’: the Net Zero legacy

Good afternoon. Household energy debts are heading towards £7bn, with paying customers facing a £100 annual charge to cover unpaid bills. Ministers, meanwhile, are weighing Rosebank and Jackdaw as researchers warn that blocking them could forgo almost £11bn in tax revenue. Overseas, the IEA is accelerating emergency diesel releases as supplies tighten.



THE WEEK IN BRIEF

- **Households:** Energy debts could reach £7bn next year, while proposed heat pump quotas could add £140 to the price of a gas boiler.
- **Industry:** Nissan warns that changes to electric vehicle targets threaten UK investment, while researchers put the potential tax revenue from Rosebank and Jackdaw at almost £11bn.
- **Government spending:** Labour's £15bn Warm Homes Plan reportedly faces cuts as the Treasury seeks savings to fund defence.
- **Overseas:** The US challenges World Bank restrictions on oil and gas finance, while a cyberattack on French supermarket fridges raises concerns about connected energy systems.
- **Analysis:** Google's reliance on gas for AI data centres, Britain's industrial energy costs and China's expanding coal industry highlight competing approaches to energy security.



THE BIG STORY

Households face debt ‘doom loop’ as energy bills rise

British households face a growing energy debt crisis as unpaid gas and electricity bills are forecast to reach at least £7bn next year. Suppliers are required to recover some of these costs through charges on customers who continue to pay their bills.

According to *The Telegraph*, unpaid debts already add £67 a year to the average household bill under Ofgem's arrangements. That figure could rise to £100 if arrears continue to increase, adding further pressure to households already struggling with energy costs.

Why it matters: Rising energy debts create a difficult cycle: unpaid bills push up costs for other customers, potentially making energy less affordable and increasing the risk of further arrears. The warning raises questions about how quickly the Government's promised reductions in energy costs can provide relief. [Read more](#)



UK

Blocking North Sea fields could cost Britain £11bn

A study cited by The Telegraph estimates that rejecting Rosebank and Jackdaw could cost the Treasury £10.9bn in tax receipts by 2049–50. Researchers also suggest that developing the fields could support more than 3,000 additional jobs. The findings add an economic dimension to the debate over Britain's remaining North Sea oil and gas resources. [Read more](#)

Nissan warns over electric vehicle targets

Nissan warned Andy Burnham that uncertainty over electric vehicle targets could jeopardise future investment in Britain. In a letter sent before he became prime minister, the Japanese manufacturer argued that political instability should not justify changing the rules for the automotive industry. The warning carries particular weight for Sunderland, home to Britain's largest car assembly plant. [Read more](#)

Heat pump subsidies to be scaled back to fund defence

Labour's £15bn Warm Homes Plan reportedly faces reductions as the Treasury seeks additional funding for defence. The Department for Energy Security and Net Zero has been asked to find £2bn in savings, with the £2.7bn Boiler Upgrade Scheme, which offers £7,500 heat pump grants, among the programmes facing cuts. The proposals raise questions about the affordability of the Government's home heating ambitions. [Read more](#)

Households face £140 boiler tax warning

Households could face an additional £140 on the price of a gas boiler under proposals to increase manufacturers' heat pump sales quotas. The Energy and Utilities Alliance warns that penalties associated with the targets would be passed on to consumers. Its chief executive has criticised the proposals, arguing that they would make conventional heating more expensive without resolving the underlying cost of heat pumps. [Read more](#)



INTERNATIONAL

French fridge hack exposes smart grid risks

A cyberattack on internet-connected supermarket refrigeration systems in France reportedly caused temperatures to reach 50°C, triggering fires and destroying food worth millions of euros. Cybersecurity specialist Ken Munro warns that similar vulnerabilities in smart appliances, electric vehicle chargers and batteries could threaten electricity networks. Britain's plans to use connected devices to balance demand make their security an increasingly important consideration. [Read more](#)

Falklands oil approval raises North Sea questions

Ed Miliband has approved development of the Sea Lion oil field near the Falkland Islands, which is estimated to contain up to 1.7 billion barrels of oil. Production could begin as early as next year. Argentina has challenged the decision, while the approval invites comparisons with the Government's continuing deliberations over Rosebank and Jackdaw in British waters. [Read more](#)

US challenges World Bank fossil fuel restrictions

The US Treasury is urging the World Bank to reverse restrictions on financing oil and gas production. Treasury Secretary Scott Bessent argues that providing electricity access to another 300 million Africans requires a technology-neutral approach, including support for natural gas. Washington says developing countries should be able to assess projects on their merits rather than face blanket exclusions on fossil-fuel investment. [Read more](#)



OPINION AND ANALYSIS

Three arguments to read alongside this week's news.

Google's AI ambitions confront energy reality

Writing for *Watts Up With That*, commentators argue that Google's growing reliance on natural gas to power AI data centres exposes the limitations of renewable electricity and battery storage. The company needs continuous, reliable power for rapidly expanding computing infrastructure. The article questions whether corporate renewable energy commitments can accommodate the demands of an industry requiring electricity around the clock. [Read more](#)

Luke Johnson warns of a winter economic crisis

Businessman Luke Johnson argues in *The Telegraph* that Britain faces the combined threats of rising energy costs, a gilts crisis and pressure on sterling. He contends that net-zero policies have contributed to industrial electricity prices that undermine British manufacturing, defence and petrochemicals. His warning is that high energy costs are compounding the country's wider economic vulnerabilities at a particularly dangerous moment. [Read more](#)

China's coal advantage could reshape global power

Economist Andy Xie argues in the *South China Morning Post* that China's ability to build coal-fired generation quickly and cheaply could strengthen its position during a global energy crisis. He also highlights investment in coal-to-liquids technology to produce diesel, aviation fuel and other industrial products. His central argument is that energy abundance could become a decisive advantage in global economic and geopolitical competition. [Read more](#)



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