

Burnham faces frontbench resignations over Rosebank

Good afternoon. Andy Burnham faces the threat of frontbench resignations if he approves Rosebank, while COP31 has ended without agreement on fossil fuels, and British households face a £443 increase in annual energy bills. Can the Government reconcile its climate commitments with Britain's domestic energy needs?



THE WEEK IN BRIEF

- **Rosebank:** Ninety-two Labour MPs oppose the oilfield's approval, with several ministerial aides reportedly considering resignation.
- **Energy bills:** Ofgem's price cap is set to rise by 26 per cent in January, taking typical annual household bills to £2,166.
- **North Sea:** The OBR forecasts that oil and gas industry mergers will reduce Treasury revenues by £2.1bn.
- **Electric vehicles:** Kia warns that Britain's zero-emission vehicle mandate threatens automotive competitiveness.
- **COP31:** International climate negotiations end without agreement over the future of fossil fuels.



THE BIG STORY

Labour rebellion grows as 92 MPs oppose Rosebank

Andy Burnham faces the prospect of frontbench resignations if his Government approves development of the Rosebank oilfield.

According to *The Times*, 92 Labour MPs have written to the Prime Minister and Energy Secretary Miatta Fahnbulleh opposing the project, with several ministerial aides reportedly considering quitting.

Supporters of Rosebank within Labour have accused opponents of resorting to internal party politics to influence the Government's decision.

Why it matters: The dispute comes amid growing uncertainty over North Sea investment and a sharp increase in household energy bills. With COP31 ending without agreement on phasing out fossil fuels, the Rosebank decision has become a significant test of how the Government balances its international climate commitments, domestic energy production and divisions within its own party. Read more



UK

Annual energy price cap to rise by £443 in January

Millions of British households face renewed financial pressure as Ofgem's energy price cap rises by 26 per cent in January. The annual bill for a typical household is set to increase from £1,723 to £2,166, following a rise in wholesale gas prices to nearly a four-year high. The increase substantially outweighs the Government's promised £100 payment to 20 million households to help with energy costs this winter. Read more

North Sea mergers set to cost Treasury £2.1bn

Britain's 78 per cent tax rate on North Sea oil and gas profits is encouraging acquisitions of companies with accumulated tax losses, according to *The Telegraph*. The Office for Budget Responsibility forecasts that mergers in the sector will reduce Treasury revenues by £2.1bn over the coming years. Meanwhile, more British oil and gas assets are passing into foreign ownership, with BP preparing to sell its remaining UK North Sea operations. The developments raise questions about the fiscal consequences of the Government's North Sea tax regime. Read more

Kia warns Britain's EV mandate threatens industry

Kia UK has described Britain's electric vehicle targets as the world's most aggressive regulatory regime, warning that compliance with the zero-emission vehicle mandate imposes substantial costs on the automotive industry. The carmaker argues that the regulations pose a serious threat to the competitiveness of domestic manufacturers.

Its intervention adds to pressure on ministers to reconsider the pace and cost of Britain's transition to electric motoring. Read more



INTERNATIONAL

COP31 ends without agreement on fossil fuels

International climate negotiations have ended without agreement after Britain and the European Union rejected a proposed deal that did not include a commitment to phasing out fossil fuels. Despite two weeks of negotiations and a further two days of talks, oil-producing nations resisted demands for stronger commitments. The outcome exposes continuing divisions between governments seeking an accelerated transition away from fossil fuels and countries determined to maintain their production and use. Read more

South Africa prioritises gas and battery storage

After years of electricity shortages and blackouts, South Africa is prioritising gas-fired generation and battery storage in the first procurement round under its new energy plan. The programme will focus on 5GW of gas generation and 4.6GW of battery storage, with no new wind or solar capacity included in this round. Writing for the CO_2 Coalition, Vijay Jayaraj highlights how existing grid bottlenecks have already left South Africa with a $121m backlog in payments for renewable electricity that could not be delivered. Read more

Germany's electricity trade deficit hits €1.4bn

Germany spent €5.7bn importing electricity during the first nine months of 2026 but earned just €4.3bn exporting almost exactly the same volume, according to figures highlighted by *NoTricksZone*. Imported electricity cost an average of €116/MWh, while exports fetched just €87/MWh. The article attributes the disparity to Germany's reliance on weather-dependent generation, which can produce surpluses when electricity prices are low and leave the country dependent on imports when prices are higher. Read more

California's refinery closures risk increasing import dependence

Writing for the Heartland Institute, Ronald Stein warns that California's refinery closures will not eliminate demand for petroleum products. Oil remains an essential raw material for thousands of everyday products, including pharmaceuticals, medical equipment and components used in renewable energy technologies. Stein argues that reducing domestic refining capacity without addressing demand risks increasing

dependence on overseas suppliers and transferring associated emissions abroad rather than eliminating them. Read more



OPINION AND ANALYSIS

Three arguments to read alongside this week's news.

COP31's collapse is an opportunity to rethink climate policy

Writing in *The Telegraph*, Bjorn Lomborg argues that the failure of COP31 offers an opportunity to reassess three decades of international climate policy. He notes that more than half of all fossil fuel CO_2 emissions have occurred since the first COP summit in 1995, while global coal consumption has continued to set records since COP26. With Britain spending an estimated £65bn on the green transition last year but just £1.6bn on research to make green energy cheaper, Lomborg calls for greater emphasis on innovation, adaptation and economic growth. Read more

COP's collapse undermines the case for blocking Rosebank

Ross Clark questions the rationale for blocking development of the Rosebank oilfield to demonstrate Britain's international climate leadership. Writing in *The Spectator*, Ross highlights estimates that the project could support 1,600 jobs at its peak, deliver £24.1bn in economic benefits and supply gas directly to Britain's grid. Clark also challenges the argument that Rosebank should not proceed because much of its oil would be exported, drawing a comparison with Britain's export-oriented automotive industry. Read more

Britain needs batteries on the grid, not just in the cupboard

Writing in *The Times*, Tony Dalwood argues that the Government should apply its own emergency preparedness advice to Britain's electricity infrastructure. While households are encouraged to keep spare batteries and torches in case of power cuts, Dalwood calls for greater attention to the resilience of the electricity system itself. He highlights the role battery storage could play in safeguarding supplies, arguing that "Being ready means batteries in the cupboard. It also means batteries on the grid." Read more