



Energy Security and Net Zero Committee

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Rt Hon Ed Miliband
MP Secretary of State
[by email]

Thursday, 12 June 2025

Dear Ed,

We are fast approaching the Summer Recess and the Financial Statement yesterday outlined an ambitious programme of investment in the energy sector.

My Committee has been hearing from numerous sources about different aspects of the energy sector and I have been seeking insight from numerous businesses and organisations involved in the generation, transmission, sales and consumption of energy in various forms. There are many issues that you and your department have to deal with while seeking to deliver a fundamental change in the way we generate and consume energy in the UK.

One issue that continually arises in conversation is that of zonal pricing. It is an issue that divides boardrooms and businesses, there are strong and vocal advocates both for and against making the change. Arguments range from hard-nosed practical considerations to the moral arguments of what the right decision should be and there would appear to be little in the way of a middle ground.

I would say that there is one thing that unites all of the voices, both for and against making a change to the way in which we buy and sell energy in the UK, which is the vital need for certainty. In the absence of clarity on this issue, many of the investment decisions that the Government wants businesses to make will be delayed and those that are made will be more expensive; all because of the policy uncertainty.

I am certain that my Committee, like every other organisation I have spoken to, will have advocates both for and against switching to zonal pricing but we would all like to see the Government giving clarity to the whole sector by making a decision. It is unlikely that more consideration, consultation and analysis will deliver more definitive insight into the issue and, if the Government is serious about the sector to digging in, making investments and getting the country moving, then it needs to make the decision on this divisive topic.

Kind regards,

Bill Esterson
Chair of the Energy Security and Net Zero Committee