

The Guardian view on the Iran crisis exposing Britain's energy vulnerability: clean power offers protection

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What should Britain do when war in the Middle East sends energy prices soaring? If the strait of Hormuz were blocked for the month of fighting that Donald Trump predicts, British households could face another brutal cost of living shock. Goldman Sachs warns of prices at the pump rising to 2022 levels. That would put more than 50p on each litre in the tank. Prolonged disruption to global gas supplies could see energy bills in the UK rise by £900 to £2,500 a year. Such uncertainty strengthens the case for going big on clean energy.

Ed Miliband, the energy secretary, has grasped this reality. By contrast, the Conservatives and Reform UK are doubling down on domestic fossil fuel extraction. The debate is framed around a simple claim of energy security: drill more at home. But the argument is rhetorical. Britain might export a bit more crude and have a smidgen more gas. But it would still need to import refined fuels and liquefied natural gas (LNG). Households would remain exposed to global energy shocks. Clean electricity, by contrast, cuts gas demand and reduces exposure to volatile markets. The political pressures are jobs, tax revenues and the economies of Scotland and north-east England tied to a declining asset.

Clearly, more drilling will not shield households from price spikes; it will mainly boost oil company profits – which explains why the industry is lobbying to scrap the windfall tax. What recent history suggests is that each hydrocarbon crisis sends its markets into turmoil: oil surges, gas follows and so does inflation. A cost of living crisis requires household support. Renewables offer a way out. Once built, the “fuel” of sunlight or wind is free. Prices are largely stable. Green power is in effect an insurance policy against geopolitical risk.

An emerging clean-energy system could allow Britain to run a largely domestic energy economy. This will require industrial capacity to reduce dependence on external suppliers and deliver cheaper domestic energy. But that needs financing systems that survive shocks and an energy policy rooted in national security.

Driving this is Britain's push to meet the climate targets that it has pledged to uphold. Limiting fossil exposure matters both economically and environmentally. The Transition Security Project estimates that the 2022 energy shock cost the EU and UK \$1.8tn between 2022 and 2025, while US firms made \$241bn in windfall profits. Higher inflation pushed up interest rates, making capital-intensive renewables harder to finance than fossil fuels.

What Britain needs to do is accelerate clean power, expand offshore wind, upgrade the grid, approve new nuclear power and electrify at pace heating and transport systems. Any green transition would need to cushion households and use windfall taxes effectively. Geopolitics is never far away. Fossil fuels tie the UK economy to unstable regions. A renewable-based energy system would free Britain from the slings and arrows of the fossil fuel economy. Every crisis, as the environmentalist Joss Garman notes, should hasten the transition. But instead, this one has revealed the same vulnerability: Britain, like Europe, remains exposed to fossil fuel markets beyond its control.

After Russia's invasion of Ukraine, Europe swapped Russian pipeline gas for American LNG. Dependency didn't disappear. Britain just changed suppliers. That is one reason among many why this crisis must see the government focus like a laser on faster decarbonisation, not more drilling.