Jeremy Corbyn and Nicola Sturgeon may be big fans, but the rise of publicly owned energy companies looks like it is faltering in the face of tough market conditions.
The movement was dealt a blow this month when a newly Lib Dem-controlled Portsmouth city council scrapped the former Conservative administration's .
The decision will cost local taxpayers at least £2.5m but was taken after concerns about the viability of the company's business model, and the prospect of much bigger losses.
The reversal calls into question whether publicly owned energy companies can ever hope to break the stranglehold of the big six suppliers – British Gas, Scottish Power, npower, EDF, E.ON and SSE – of the market.
Nottingham city council launched Robin Hood Energy in 2015, with Bristol city council following suit with Bristol Energy the next year. They remain the only two fully licensed energy suppliers run by local authorities.
Together they have attracted about 200,000 customers, hundreds of thousands behind even a mid-sized player such as Ovo or First Utility.
That lack of real-world progress does not bode well for Labour's energy policy – – and the Scottish government, .
However, Rebecca Long Bailey MP, Labour's shadow business secretary, argued that small suppliers could thrive if the energy landscape was fundamentally reformed.
"The case for market reform as well as revolutionising energy generation and transmission as Labour has pledged is stronger than ever," she said.
Portsmouth's decision to axe Victory Energy comes as several factors conspire against local authorities contemplating a foray into energy.
A big one is the rising price of wholesale energy that has forced many suppliers to pass on two price hikes this year already.
Nigel Cornwall, chairman of industry analyst Cornwall Insight, said: "Market conditions have changed a lot this year, especially with rising wholesale prices. These changes may well have undermined key assumptions in the business plan [for Portsmouth]."
The big six's hedging strategies offer them some insulation from those increases, but that is harder to do for new, smaller entrants.
Steve Battlemuch, chair of Robin Hood Energy's board, said: "Undoubtedly, it's not an easy time to be in the energy market for smaller providers, who don't have the financial clout that the big six have. It's a difficult market because energy prices are going up."
Ironically, the government's upcoming price cap – designed to stop the big six from ripping off customers on expensive default tariffs – could be another deterrent for local authorities.
The cap threatened to "materially affect financial performance and peak funding

requirements" of Portsmouth's energy company, a report by auditors found.
The analysis by PwC, which said the firm's target of signing up 50,000 customers in its first year was challenging, also warned of the significant up-front costs new entrants face in setting up systems and staff.
That steep learning curve means returns often will not come for several years – Bristol Energy posted an £8.4m loss last year.
Gordon Lindhurst, a Scottish Conservative MSP and convenor of Holyrood's economy committee, which is examining Scotland's planned energy company, said he wanted to see more detail from the Scottish government.
"These include the practicalities of setting up such a company and whether the costs involved in doing so will actually make energy cheaper for consumers," he said.
One of the arguments in favour of publicly owned energy firms is, in the longer term, they could offer a new source of revenue for cash-strapped local authorities.
However austerity could put such money-raising efforts at risk. Some fear the advent of big local authorities such as Northamptonshire paring back services to a legal minimum to meet budgets could spook consumers.
"It might well be in back of people's minds, about signing up to a local authority [energy company] in a time of cuts. 'If they're cutting back on X, Y and Z, how sustainable is that authority?' We are trying to be sustainable," said Battlemuch, who is also a Labour councillor at Nottingham city council.
The outlook is not entirely gloomy. Robin Hood reported a £200,000 surplus for the first time last year, largely by having eight other councils piggyback on its service, including Islington's Angelic Energy, which has counted Corbyn as a customer. A ninth is due in coming weeks.
Sadiq Khan is due to launch a municipal energy supplier for Londoners, although again "white labelling" off an existing company rather than being fully licensed like Robin Hood or Bristol, to the dismay of some observers.
Battlemuch thinks that others can succeed. "I think it depends on people's ambition and people's financial backing. In Scotland and London you'd think they'd have the political clout to do it," he said.
Peter Haigh, managing director at Bristol Energy, believes that despite losses so far the company will ultimately provide the council with a new source of money.
The biggest boost would likely come if a government that backed public firms came to power.
Source: theguardian