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Renewable Energy Policy in the UK

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Renewables 2010 Team

28 July 2004

Cleaner, Smarter Energy: policies for a low carbon future





The context and importance of the planning system

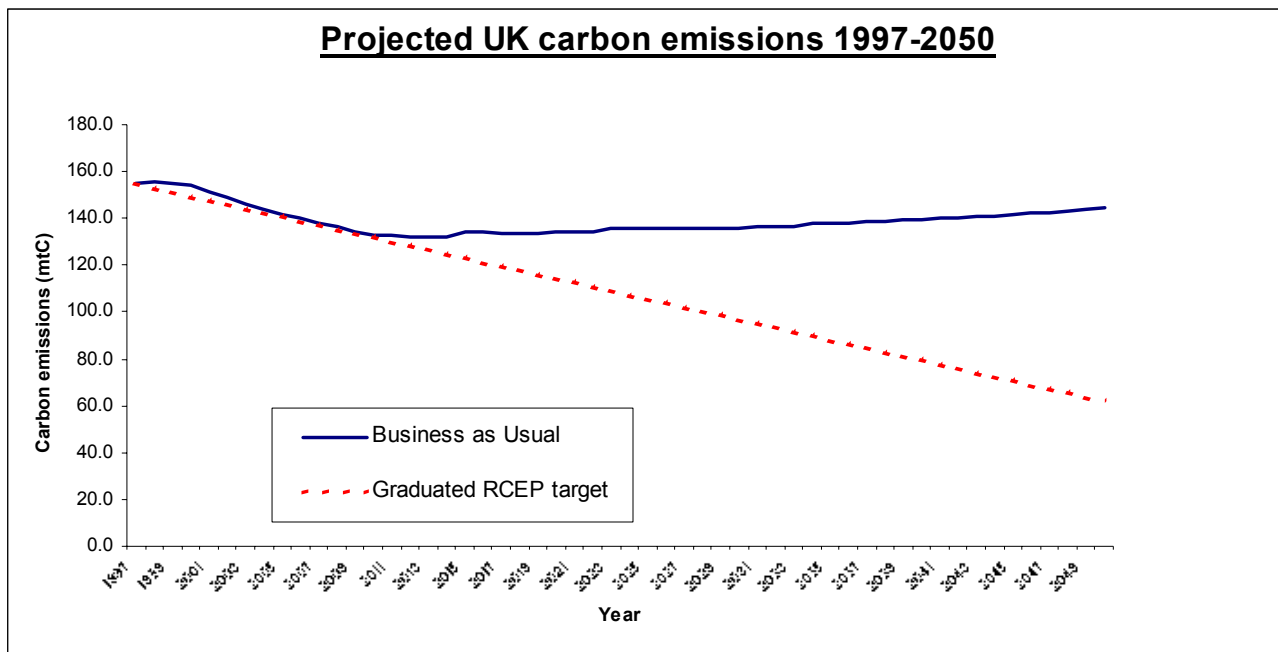
- UK energy policy
- Renewables strategy
- The future

the new goals of UK energy policy

- putting ourselves on a path to 60% cuts in CO₂ by 2050
- maintaining reliability of energy supplies
- promoting competitive markets in the UK and beyond
- ensuring that every home is adequately and affordably heated

Aim to achieve these together

The Carbon Challenge

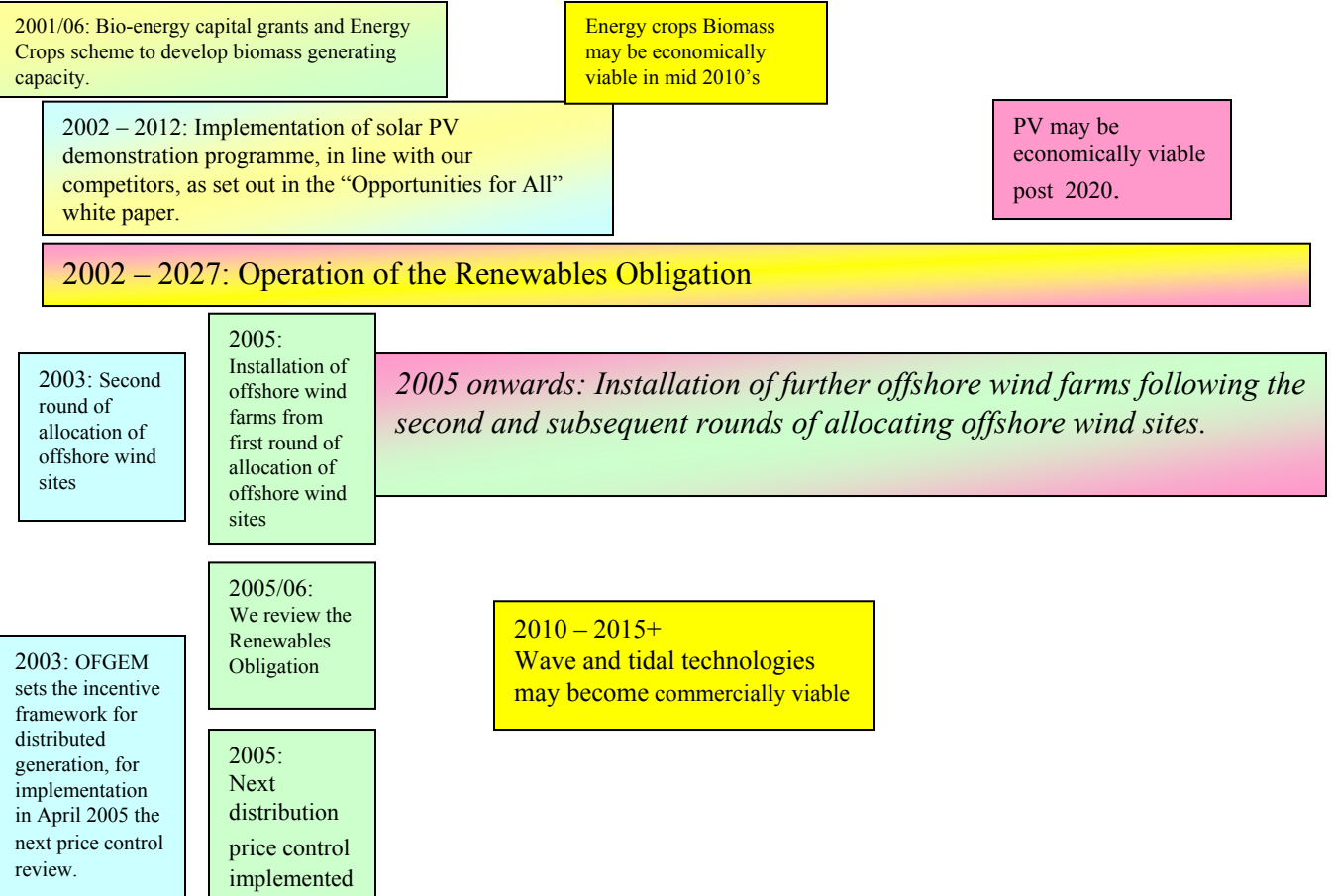


Carbon Cuts

- Carbon cuts of between 15 and 25 MtC by 2020
 - energy efficiency (8-12 MtC)
 - renewables (3-5 MtC)
 - emissions trading (2-4 MtC)
 - transport (2-4MtC)
- Renewables and energy efficiency are key

The Renewables Timeline

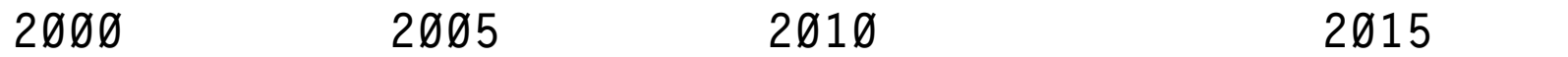




2002
Renewables supply 1.5% of UK electricity (excluding large hydro and mixed waste incineration excluded).
 Onshore wind (500MW) and Landfill Gas (400MW) largest contributors.

2010 target
Renewables supply 10% of UK electricity.
 Onshore and Offshore wind may be the largest contributors to the renewables generation mix in 2010

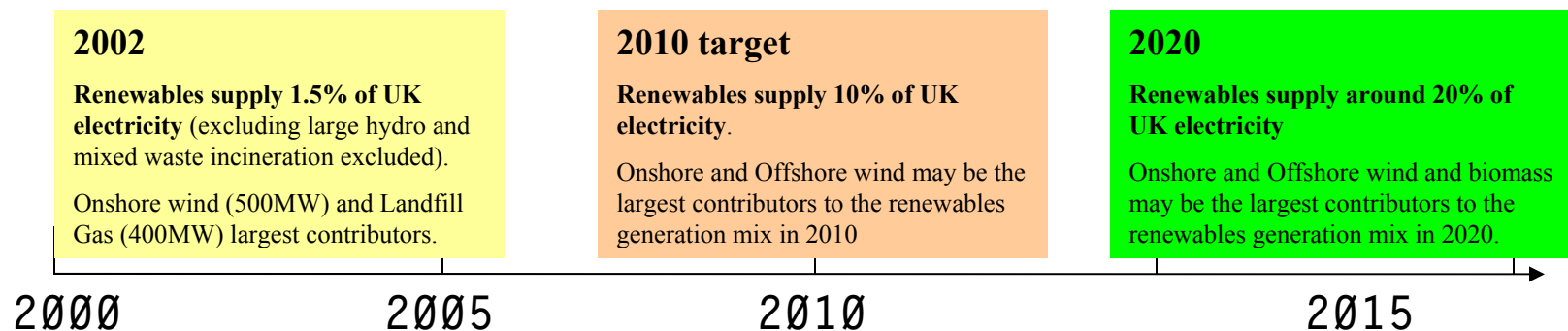
2020
Renewables supply around 20% of UK electricity
 Onshore and Offshore wind and biomass may be the largest contributors to the renewables generation mix in 2020.



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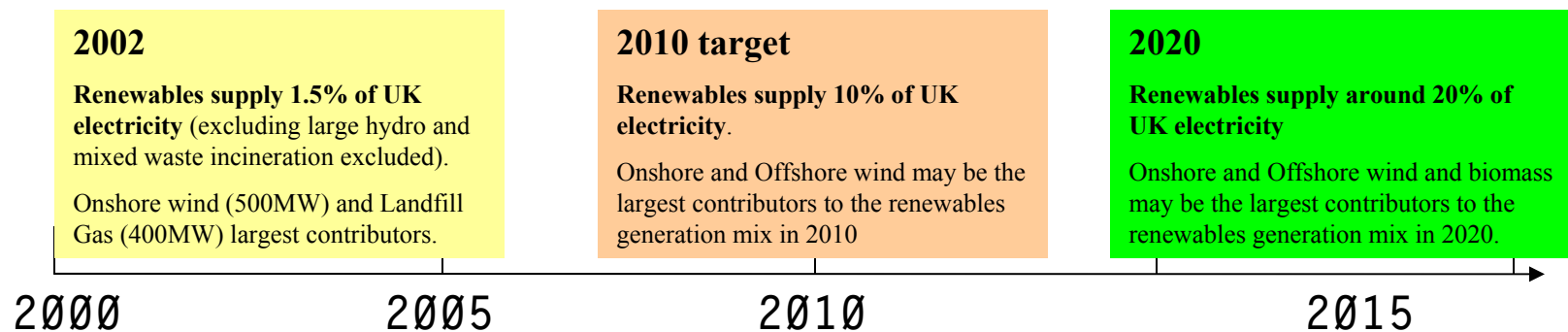
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2010 target

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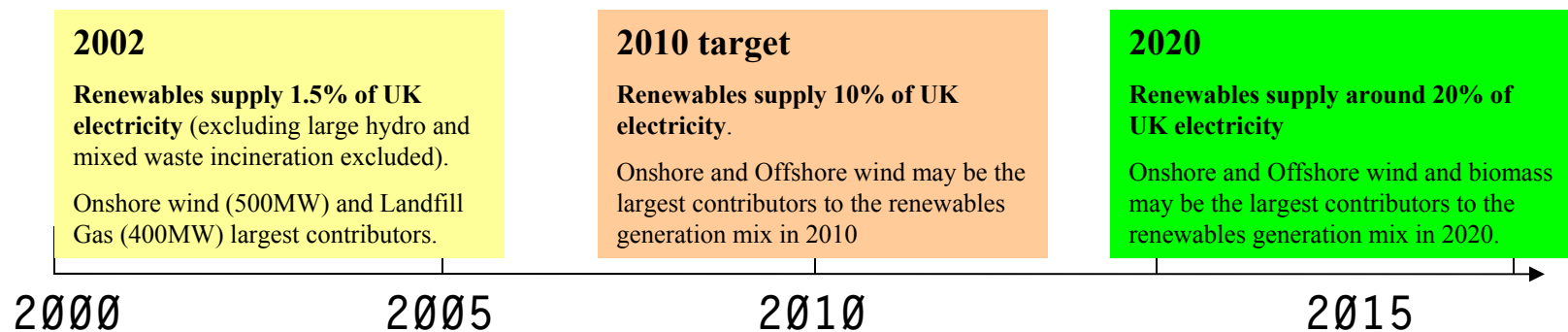
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2020

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Renewables Strategy

- legislation
- financial support
- technological support
- business support
- partnership

Legislation

- the Government will maintain the level of support provided by the Obligation until 2027
- Obligation £1b per year in 2010
- Obligation to be revised in 2005/6 to set strategy for second decade
- Obligation technical amendments – co-firing date; PV accumulation
- extend to Northern Ireland
- extend licensing legislation beyond 12 miles

Technological support

- advanced biomass
- wave / tidal
 - Marine Test Centre Orkney (open this year)
 - Wavegen, Ocean Power Delivery
- hydrogen / fuel cells
 - new network Fuel Cells UK

Business support

- Renewables UK
- UK content of major contracts
- gap analysis
- jobs – baseline established
- major investors (Invest UK)

Partnership

- Renewable Advisory Board
- Grid, planning, communications, jobs, finance

Progress since White Paper

- major awards of capital grants to offshore wind, biomass and photovoltaic projects
- major planning decisions; growth in number of planning applications
- OFGEM sanction for first phase of work on Scottish transmission reinforcement
- White Paper – 135 recommendations

Next steps

- announcement of awards of second round of offshore licences
- consultation on technical amendments to Obligation
- consultation on new planning guidance
- continued policy development on link between grid and renewables
- conference for financial sector
- publish supply chain gap analysis

Issues

- distributed generation
 - OFGEM to publish plans this year
- transmission
 - OFGEM + network operators
- planning
 - PPS 22
 - MoD – guidance / advice / research

The Future

- An energy mix
- Renewables an important part of the solution
- Issues to be accommodated
- Government committed to the future

Scenarios and Wind

- Expect wind to play a major part
 - Maybe 80% of 2010 target
 - 8GW – onshore and offshore
 - Possibly 70% of the 2020 aspiration
- Can it be done?
- The wind market sector worldwide has grown on average by at least 30% year on year
 - Last year alone 3000 MW+ installed in Germany

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