

Achieving 2020

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The European Union's decision earlier this year to set an ambitious target for 20% renewable energy supplies by 2020 was welcome news. However European-wide targets are not enough – they need firm action by national governments to help the industry deliver them on time.

By the end of this year the European Commission will announce its proposals for the share it would like each country to take of the renewables target. With Europe's largest wind resources, Britain might be expected to be leaders of the pack. However, while Germany has already announced that it will be looking to supply 27% of its energy from renewables by 2020, the UK looks to be dragging its feet. Already lagging behind most other European countries in the proportion of energy contributed by renewables, worrying hints have appeared that the British Government may want to diminish the UK's contribution rather than seizing the opportunity to lead on the issue.

Despite seeking political hesitation the renewable energy sector is coming of age. Not only because of the increasing urgency of the need to tackle climate change but also as the UK Government faces up to the prospect of a looming gap

in domestic energy production within the next 15 years. More and more there is a recognition that Britain needs a mixed energy economy, with wind playing a major part.

If Britain were to generate 20% of all its energy supplies from renewable sources, that would mean 35% of our electricity needs, yet today just 2% of our energy (4.5% of electricity) comes from renewables – placing us fourth from bottom of the European league table. To meet the EU target and fulfil Britain's potential as the renewables powerhouse of Europe requires quick action. Using our natural resource and despite our low starting point, up to 27% of the UK's electricity supply could come from wind alone by 2020. We are confident that wave and tidal technologies will by this time be making a measurable contribution as well. Just 5,000 onshore turbines could be supplying 13GW of electricity, with a further 20GW supplied by offshore wind farms. That is a further £45 billion of private investment on top of the £2 billion already ploughed into the industry – as much as half of it supplied by UK companies.

Investment is lining up, as both finance houses and suppliers view Britain as the leading European market for wind energy, however the UK still lacks the robust policy framework that is the last piece of the puzzle.

There are four main policy blockages impeding progress in delivering large scale wind energy:

- Nearly 6% of UK electricity supply is stuck in the planning system – this needs urgent Government action to solve.
- The offshore planning system is slow and uncertain, wind farms can take over 10 years to get approved and built – this system needs to be streamlined and waiting times reduced.

- Once installed it can take another 5 years to get wind farms connected to the electricity distribution system because National Grid is not allowed to strategically invest to meet anticipated connection requirements.
- The support mechanism for renewables is due to stop dead in 2027 – long-term investment requires long-term confidence – the lifetime of the Renewables Obligation should be extended.

The UK has a tremendous opportunity to be a world leader in wind energy by 2020, however the window of opportunity is small, we need action now to remove the blockages and release the flow of investment in the next two to three years, or Britain will miss out once again.

Government must rise to the challenge and lead the way – industry is ready and willing to follow.

