

# Renewable Energy in the UK: A Study of the UK Government's recent performance

## Key purpose of report

Molly Scott Cato commissioned a report by [Green Peninsula](#) which looks in detail at the government's energy policy developments since the Conservative majority was elected in May 2015. This is a summary document outlining key findings, specific impacts of policy changes, particularly to the South West, and how it is intended to use the report to challenge government energy policy.

The report explores **the major developments in policy**, which have taken place since the Conservative majority government came to power, namely:

- Closure of the Renewables Obligations 12 months early;
- Closure of the 'Contracts for Difference' (CfDs) to onshore wind (which aimed to support new investment in all forms of low-carbon generation and to offer price stabilization);
- Removing Feed-in-Tariff (FiT) pre-accreditation and implementing a wholesale review of FiT with an expectation that it could be scrapped entirely;
- Changes to planning laws for Renewable Energy, making the rules significantly different from shale gas;
- Removal of renewable electricity from the Climate Change Levy (CCL) exemption;
- Accepting that the whole of South West England has no grid access for renewable energy;
- Removal of tax breaks for small community-led projects.

Where consultations in relation to any of these changes have taken place, it has generally been felt to have been badly executed with evidence ignored.

## Key findings from the report

The report finds that the pace and intensity of interventions by the government in the UK's energy policy have severely impacted on the renewable energy sector, specifically:

- There are valid concerns about the approach and intent of recent policy changes as well as **effects on the competitive operation** of the electricity market in the UK;
- There appear to be **clear breaches of regulations**, both at a UK and EU level;
- Policy changes could ultimately **undermine the UK's ability to meet its mandated emissions and renewable energy targets**; the UK lags behind in its trajectory towards meeting the mandated 2020 targets for renewable energy (20% for the EU as a whole and 15% for the UK) and has the largest shortfall to target of the whole EU-28;
- Legally binding renewable energy EU targets are **unlikely to be met without onshore wind**;
- The Government's assertion that renewable energy, particularly onshore wind, is not popular amongst the general public is **not backed up by their own opinion polls**;
- Nuclear and fossil-fuel investors are being offered **preferential treatment** over renewable investors;
- The IMF has put the overall level of UK Government support, including external costs such as air pollution and climate change, as **£8bn for Oil & Gas and £19bn for coal**; the DECC figure for support for all renewable energy throughout the UK in 2014/15 is **less than £4bn**;
- Changes have had a **disproportionately damaging impact on Community-led projects** to finance and build renewable energy schemes; changes introduced in the new Finance Bill have reduced tax relief for community energy projects since December 2015;
- Interventions in planning, consenting and implementation would seem to indicate that there is a **strategy to favour certain parts of the energy sector over others**, thereby creating **an inherently uneven playing field**;
- DECC has **two ministers who have expressed strong opposition to wind power** for reasons that do not stand up to objective scrutiny.

## Situation in the South West

The report highlights how government policy changes and/or inaction have impacted in the South West. The report concludes:

- Government **policy changes leave the South West in a depressing situation**, despite the potential for the region to generate 100% of its energy needs from renewables<sup>1</sup>;
- Despite having huge renewable energy resources, **the grid is shut for new projects**, with a timetable for re-opening running into many years; low carbon growth is on hold;
- There is **no credible UK mechanism for establishing marine renewable energy**; apart from offshore wind, where leading projects in the region have been abandoned, marine industries require Government support packages that simply do not exist;
- Government **support schemes for onshore renewables are under threat of early and imminent closure**, most notably wind and Solar PV;
- Despite significant Government money being made available for distribution network operators to test new systems, **large scale storage and local smart grids have little prospect of being established soon**;
- **EU Directives to encourage and support RE are not being implemented adequately in South West England**; the region is in complete stasis, which is directly contrary to the intentions of EU Directives.

## Proposed actions

**Molly Scott Cato intends to use the findings of the report to initiate an investigation by the EU Commission** into whether:

- Changes in energy policy mean the UK is in breach of rules on a fair and competitive market;
- The UK is providing the European Commission, and particularly the Competition Commissioner, with timely, complete, and accurately supported information on the probable effects of its actions.

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<sup>1</sup> *The Power to Transform the South West*, commissioned by Molly Scott Cato, demonstrates how the South West can provide 100%+ of its energy needs through renewable energy alone: <http://mollymep.org.uk/2015/04/17/power-to-transform/>

## Key questions posed by the report

Backed up by the findings of this report, Molly Scott Cato MEP will be raising the following questions with the EU Competition Commissioner:

- Are recent Government actions supportive of a fair and competitive electricity market for renewable energy, or do some sectors enjoy preferential treatment?
- Is the UK providing the European Commission, and particularly the Competition Commissioner, with timely, complete, and accurately supported information on the probable effects of its actions?
- Is the Government providing well researched and transparent evidence in order to explain and support its policies, taking full account of public and industry views?

## Desired outcomes

- To force changes to government policy which ensure it is operating fairly and in accordance with EU rules;
- To empower and re-power the renewables energy sector that has been so badly hit by changes in government policy;
- To generate public support and momentum behind a campaign to ensure government energy policy is fair and prioritises genuine low carbon technologies.