



DEPARTMENT OF TRADE AND INDUSTRY
Renewable Energy

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RENEWABLE ENERGY

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HELPING THE NATION SPEND WISELY



INTRODUCTION

- Response to threat of climate change
- 12.5% reduction in CO₂
- UK Climate Change Programme
- 10% of UK electricity from renewable sources by 2010



Biomass

WHAT POLICY TOOLS ARE IN PLACE?

- Mechanisms to promote renewables:
 - Renewables Obligation
 - Capital grants
 - Research and Development grants
- Innovative approach, but there are risks
- Less than 5 years to achieve target



Solar/ Photovoltaic

WHAT QUESTIONS DID WE ASK?

- Will the Government achieve its 10% target?
- Is it working to overcome any barriers?
- How much will it cost, and does this represent value-for-money?



Onshore wind power

WHAT DID WE DO?

- Economic analysis of the Renewables Obligation
- Analysis of policy development
- Stakeholder interviews
- Analysis of data
- Literature review
- International Comparisons
- Expert panel



Wave/ Tidal

HOW WELL DID THESE METHODS WORK?

- Latest predictions
- Stakeholder engagement
- Estimates of current progress
- Knowledge of other research being conducted
- An understanding of UK's innovative approach
- Expert guidance for our work



Landfill gas

WHAT DID WE FIND?

- On track to meet 10% target
- But:
 - electricity prices must remain high
 - effective response to a series of challenges
- Renewables Obligation is not the most cost effective method
- Financial support could be in excess of what is needed



Offshore wind power

WHAT REACTION DID WE GET?

Cost of electricity will rise to hit renewables target

Wind farms “pushing up price of electricity”

The cost of green energy - a 5% rise in prices over the next five years

Going green to put 5% on energy bills

Renewable goal blamed for costlier electric bills

Watchdog bullish on green power targets

WHAT NEXT?

- Committee of Public Accounts hearing and report
- 2005 Review of the Renewables Obligation
- 2005 Review of the UK Climate Change Programme

