

Wind power

Adam Vaughan
Energy correspondent
@adamvaughan_uk
Mon 22 Jan 2018
16.35 GMT



69 142

Fears for future of UK onshore wind power despite record growth

2.6GW of capacity built in 2017 before subsidies ban industry says will make generation dearer



A record amount of onshore wind power was built in the UK last year, but government policy has been stalling the sector and risked increasing energy bills for consumers, the industry has warned.

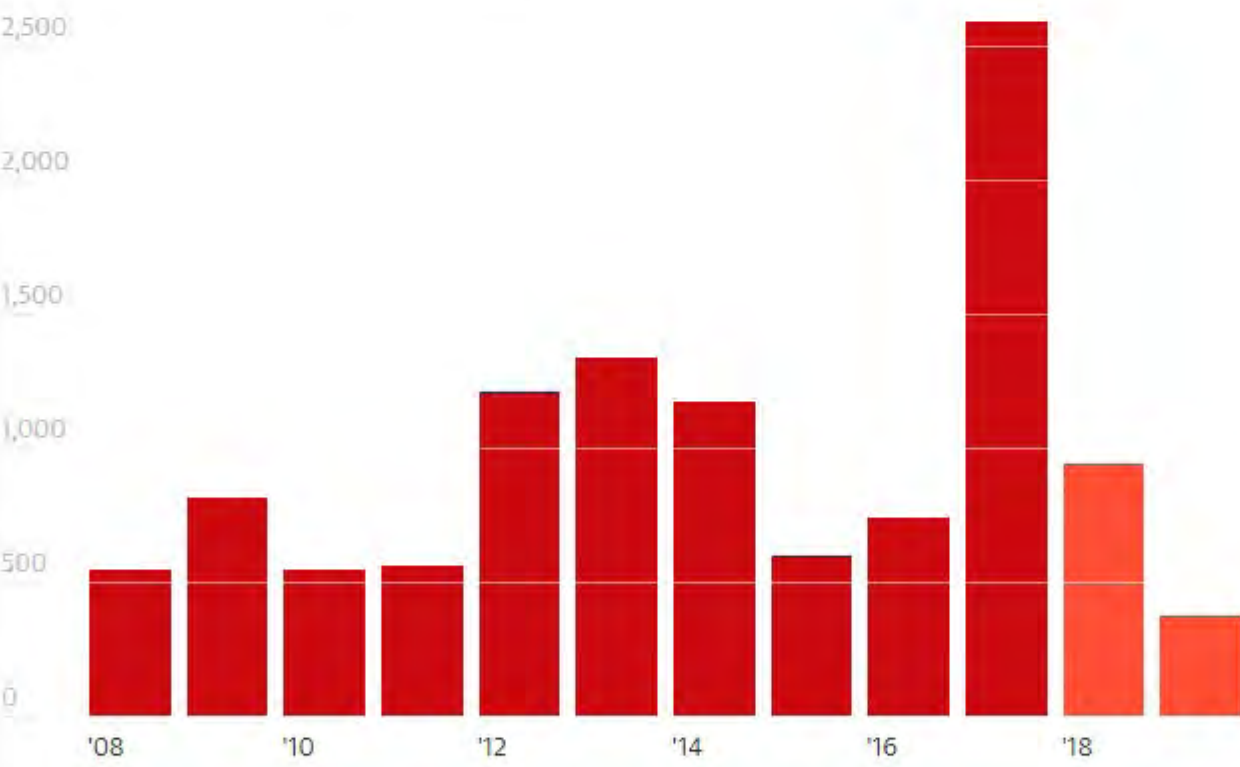
Turbines capable of generating 2.6GW were installed across Britain in 2017 as developers rushed to meet the government deadline for securing subsidies. The previous record was 1.3GW in 2013.

The Conservatives’ ban on onshore windfarms competing for subsidies means the sector’s future prospects are very limited, according to RenewableUK.

The trade body expects new capacity installation to fall to 0.94GW this year and 0.37GW next year.

A record amount of onshore wind was built in 2017

Annual installed capacity, MW. 2018 and 2019 figures are projections.



Guardian graphic | Source: RenewableUK

Emma Pinchbeck, its executive director, said: “Investment made since 2015 has delivered record new capacity and made onshore wind the cheapest form of power.

“But the government’s current policy means that we are missing out on future onshore wind development, and consumers are missing out on a return on their investment through lower electricity prices.”

A ban on onshore windfarm subsidies was one of David Cameron’s key manifesto pledges of the 2015 general election. The policy followed lobbying from Tory MPs concerned about apparent opposition to onshore turbines in English shires.

But recently ministers have indicated a possible softening in their stance, which several experts have said leaves the UK missing out on a clean, cheap source of power.

Pinchbeck welcomed the shift in tone, though the government has yet to change its policy on onshore wind subsidies.

“This is an easy win for a government that has recently been keen to highlight its green credentials – and for the consumers that want lower bills,” she said.

The record-breaking capacity built last year accounts for a fifth of the total 12.06GW of onshore wind power now installed, which National Grid last week reported had set new records for power generation.

Onshore windfarm developers are excluded from bidding from the £557m pot of subsidies that offshore projects will be able to compete for next year. While windfarms at sea have commanded headlines because of their falling costs, those on land still have more than twice the energy capacity.

Energy companies that want to continue building onshore have argued that to compete at a low enough price to win subsidies, new windfarms would be located in Wales and Scotland, which have the windiest sites. That should allay any political concerns over England, they say.

ScottishPower commissioned research that suggested new onshore windfarms were now so cheap that subsidies would help lower the cost of capital but would effectively be cost-free for householders, who pay the subsidies through energy bills.

Npower’s German owner, Innogy, operates 17 onshore windfarms in the UK and is building five more. It said it was exploring all options to make them economically viable but was frustrated by the government ban.

Tanya Davis, head of business development at Innogy SE, said: “We don’t currently have a clear route to market. There isn’t access to a CFD [a type of subsidy contract] for onshore wind and this means less projects will be built.

“In the coming years there will be a little bit of a lull in construction. This is really frustrating. We should be allowed to participate in a technology neutral auction because we are one of the cheapest forms of generation.”

But judging from the Conservative party conference last year, there was “more appetite” from the government to reopen support for onshore windfarms, Davis said.

The German firm is exploring power purchase agreements with big energy using corporations as well as the possibility of sites windy enough to work on wholesale prices alone.

Hans Bunting, chief operating officer of renewables at Innogy SE, said: “Onshore wind is not at its end.”

A spokesperson for the Department for Business, Energy and Industrial Strategy said: “We are pleased to see that established technologies, such as onshore wind and solar, are driving costs down for consumers. If this continues, and they have local support, they may play a significant role in the energy mix in future.”

Follow Guardian Business on Twitter at @BusinessDesk, or sign up to the daily Business Today email here.

most popular

- Larry Nassar’s ‘death warrant’: sexual abuser jailed for up to 175 years
- Julian Assange’s health in ‘dangerous’ condition, say doctors
- Mark E Smith, lead singer with the Fall, dies aged 60
- Presidents Club to close down after claims of harassment at ‘hostess’ gala
- Granit Xhaka seals Arsenal place at Wembley at Chelsea’s expense

Guardian Today: the headlines, the analysis, the debate - sent direct to you

Read more