

REF

RENEWABLE ENERGY FOUNDATION

PRESS RELEASE

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REF CALLS FOR RIGOROUS REVISION OF RENEWABLES SUBSIDY

In their submission to the Government's consultation on the Renewables Obligation the Renewable Energy Foundation today, whilst welcoming the spirit of proposed revisions, called for even more rigour in preventing extreme waste and hyper-profit for developers.

The Renewables Obligation, which costs consumers nearly £1bn a year (rising to a total of £32 billion by 2015), has been severely criticised by bodies as diverse as the National Audit Office, and the regulator Ofgem.

REF believes that the Government's proposal to band the obligation is sensible, but could be improved in the following ways:

1. The rewards offered to the bands are unevenly graduated, and should be revised to offer a greater differential to technologies such as biomass, tidal, and offshore wind.
2. Onshore wind, the least capital intensive of the dominant technologies should not be included in the Reference band, but is a mature technology and should be placed in that band, where it will receive less support.
3. It is important that these revisions are seen as an interim step towards abolishing the Renewables Obligation altogether, as suggested by Ofgem, and replacing it with a system that is less complicated, provides better value for money for the consumer, no hyper-profit for developers, and cost-effective emissions reductions.

Dr John Constable, Policy and Research Director for REF, said "The present RO has been a disaster for the renewables' sector, and Government is to be congratulated on facing up to the need for change. But the changes proposed don't yet really go far enough to fix the underlying problems."

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For further information please contact Margareta Stanley on 0207 930 3636/ 07968 049 832 or visit www.ref.org.uk

Notes for Editors

1. The Renewable Energy Foundation is a registered charity that funds independent research into renewable and alternative energy technologies and policy. REF is funded by private donations and has no political affiliation or corporate membership.