

# REF

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## RENEWABLE ENERGY FOUNDATION

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### PRESS RELEASE

**14<sup>th</sup> April 2009**

### **REF ADVISES CAUTION OVER GREEN JOBS REPORT**

The Renewable Energy Foundation (REF) today expressed concern at the report from the Institute for Public Policy Research, '*Green Jobs: Prospects for creating jobs from offshore wind in the UK*'.

This study, which comes with a preface by John Sauven of Greenpeace, expresses the hope that improved levels of support will create a large green jobs industry centred around extremely large fleets of offshore wind generators

REF notes that in common with many studies not grounded in the practical engineering of power systems, the IPPR greatly underestimates the difficulties and costs of managing such large fleets of wind generators. REF observes that while correctly size wind deployment may have utility, exceeding that prudent level will destroy the value created up to that point.

Investors, however, are increasingly aware of these risk factors, and are prudently seeking a broader pattern of development in low carbon technology.

REF also notes that there is ample evidence from Germany and from Spain that government mandated projects to encourage hot-house growth of renewables destroy more jobs in other sectors than they create in green industry (see the recent research below).

Dr John Constable, Director of Policy and Research for REF, said: "This study is the latest example of well-meaning but naive command and control economics that is driving the global renewables sector into a technological cul-de-sac. Governments and the green lobby need to remember that over-protectiveness is not the way to raise a healthy child."

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### **Notes for Editors**

1. REF is a UK registered charity publishing data and analysis on the renewable and broader energy sector. It is supported by private donations, and has no corporate membership or political affiliation. For further information see [www.ref.org.uk](http://www.ref.org.uk)

2. IPPR's report can be obtained at no charge from: <http://www.ippr.org/publicationsandreports/publication.asp?id=658>

3. Professor Pfaffenberger, then Director of the Bremer Energy Institute (Germany) told REF as long ago as 2006, in a study submitted to the UK gov't's Energy Review, that "Part of the motivation for promoting renewable energy is to substitute local generation for imported energies and in this way promote economic activity and employment. A number of studies have been carried out during recent years to investigate the effects of the promotion of renewables in this respect."

"The results are not very encouraging (see Häder, 2005 and Hillebrand, 2005). Basically, of course, investing in renewable energy plants creates employment in industries producing these investment goods. On the other hand the extra cost of renewables adds to the cost of energy and in this way destroys purchasing power that otherwise could have created demand and indirectly employment in other areas. **Whereas the gross effect of spending money on renewables is always positive, the net effect may be negative.**"

More recent studies from the Universidad Rey Juan Carlos in Spain suggest that similar counterproductive outcomes have occurred in that country.

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