

REF

RENEWABLE ENERGY FOUNDATION

Press Release
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Proposed Windfarm "Benefits" Unconvincing, says REF

Today, (16.02.2011) Chris Huhne, Secretary of State for Energy will announce that REUK (the trade lobby for the UK wind industry) has agreed on a minimum standard protocol for wind farm community benefits of £1,000 per MW installed per year.

In response, the Renewable Energy Foundation (REF) drew attention to the fact that the "financial benefits" proposed reflect only around 0.5% of the total annual income of the average wind farm.

An average turbine, of 2.3 MW receives income of about £500,000 a year, half of which (around £250,000) is subsidy in the form of the Renewables Obligation drawn from consumer bills.(*). (The Renewables Obligation subsidy currently costs UK consumers £1.4bn a year in total.)

So, for a typical turbine described above, the community benefit of £2,300 a year will be paid out from an income of about £500,000, or roughly 0.5%.

REF believes that other more generous and less divisive forms of community reparation would be preferable, including direct compensation to affected neighbours, and reduced council tax to reflect lost amenity.

Dr John Constable, Director of Policy & Research said: "The proposed community benefit is just half of one percent of the large subsidy enhanced income derived from our electricity bills; the wind farm industry is taking our money with one hand and expecting us to be grateful for the small change offered with the other. Many will perceive community benefit of this kind and scale as adding insult to injury, and the plan seems unlikely to be persuasive."

(*). Assuming an average load factor of 25%, a ROC price of £50/MWh and a wholesale electricity price of £50/MWh.

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Notes to Editors

- 1) The Renewable Energy Foundation is a registered charity promoting sustainable development for the benefit of the public by means of energy conservation and the use of renewable energy. See www.ref.org.uk.

REF is supported by private donation and has no political affiliation or corporate membership. In pursuit of its principal goals REF highlights the need

for an overall energy policy that is balanced, ecologically sensitive, and effective.

REF makes freely available the most comprehensive database of renewable energy generator performance in the United Kingdom:

<http://www.ref.org.uk/roc-generators/>