

# United Kingdom Renewable Energy Fact Sheet

## ***Policy Background***

The EU is working to reduce the effects of climate change and establish a common energy policy. As part of this policy, European Heads of State or Government agreed in March 2007 on binding targets to increase the share of renewable energy. By 2020 renewable energy should account for 20% of the EU's final energy consumption (8,5% in 2005). To meet this common target, each Member State needs to increase its production and use of renewable energy in electricity, heating and cooling and transport.

Although renewable energies are an integral part of our fight against climate change, they also contribute to economic growth, job creation and increase our energy security.

## ***Country targets***

The renewables targets are calculated as the share of renewable consumption to gross final energy consumption. Renewables consumption comprises the direct use of renewables (e.g. biofuels) plus the part of electricity and heat that is produced from renewables (e.g. wind, hydro), while final energy consumption is the energy that households, industry, services, agriculture and the transport sector use. The denominator for the RES share includes also distribution losses for electricity and heat and the consumption of these fuels in the process of producing electricity and heat.

*UK target: 15% (2005 = 1.3%)*

## ***Key issues***

In the United Kingdom, renewable energies are an important part of the climate change strategy and are strongly supported by a green certificate system (with an obligation on suppliers to purchase a certain percentage of electricity from RES) and several grant programmes. Progress towards meeting the target has been significant (electricity generation from renewable energies has increased by around 70% between 2000-2005), although there is still some way to go to meet the 2010 target. Growth has been mainly driven by the development of significant wind energy capacity, including offshore wind farms.

## ***Main supporting policies***

The United Kingdom's policy regarding RES consists of four key strands:

- Obligatory targets with tradable green certificate system (Renewables Obligation on all electricity suppliers in Great Britain to supply a specific proportion of RES-E). The non-compliance 'buy-out' price for 2007-2008 was set at £33.24/MWh (approx €48.20 /MWh), which will be annually adjusted in line with the retail price index.
- Climate Change Levy: RES-E is exempted from the climate change levy on electricity of £4.3/MWh (approx. €6.3 /MWh)
- Grant schemes: funds are reserved from the New Opportunities Fund for new capital grants for investments in energy crops/ biomass power generation (at least £33 million (€53 million) over three years), for small-scale biomass/CHP heating (£3 million or €5 million), and planting grants for energy crops (£29 million or €46 million for a period of seven years). A £50 million (€72.5 million) fund is available for the development of wave and tidal power, the Marine Renewables Deployment Fund.
- Development of a regional strategic approach to planning and targets for renewable energies.
- A five-year capital grant scheme for biomass heat and biomass CHP systems was launched in December 2006.
- Snapshots 2007: Wood fuel and waste strategies were published in March and May 2007 respectively.

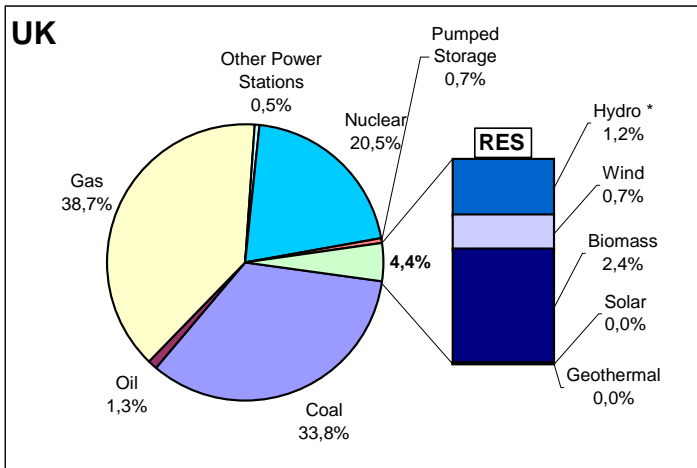
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In April 2008 the Renewable Transport Fuel Obligation is due to take effect to ensure the UK meets its 2010 target of 5% of transport fuel from biofuels, however, this falls short of the EU target of 5.75% under Directive 2003/30/EC. Certificates can be claimed when biofuels are supplied and fuel duty is paid on them, enabling certificate trading to take place. In 2006, biodiesel and bioethanol received a 20p per litre fuel duty incentive; this will continue until Spring 2010.

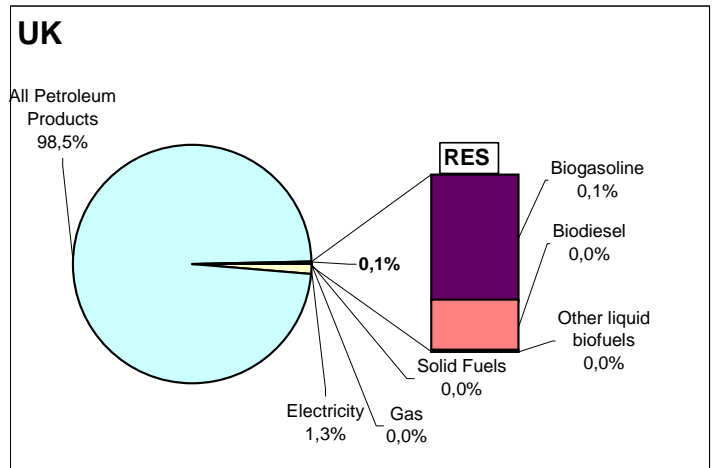
RES-H is supported by grant schemes and investment subsidies, biofuels are currently supported by a tax exemption. Following the success of the Renewable (electricity) Obligation, the UK government will introduce a Renewable Transport Fuel Obligation in April 2008. No such scheme is currently planned to promote RES-H.

Key figures<sup>1</sup>

Gross Electricity Generation by fuel (2005)



Final Energy Consumption by Fuel, Transport (2005)



Source: Eurostat

\* Not including generation from hydro pumped storage, but including electricity generation to pump water to storage. Municipal Solid Waste, Wood waste, Biogas included.

<sup>1</sup> Reliable and complete data for heating and cooling is not yet available from Eurostat

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### **For further information**

To find out more about renewables, go to: [http://ec.europa.eu/energy/res/index\\_en.htm](http://ec.europa.eu/energy/res/index_en.htm)  
[http://ec.europa.eu/energy/intelligent/index\\_en.html](http://ec.europa.eu/energy/intelligent/index_en.html)

To find out more about the current situation of renewables in the Member States, go to  
[http://ec.europa.eu/energy/res/legislation/electricity\\_member\\_states\\_en.htm](http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm)  
[http://ec.europa.eu/energy/res/legislation/share\\_res\\_eu\\_en.htm](http://ec.europa.eu/energy/res/legislation/share_res_eu_en.htm)

To find out more about support measures, go to  
[http://ec.europa.eu/energy/res/legislation/support\\_electricity\\_en.htm](http://ec.europa.eu/energy/res/legislation/support_electricity_en.htm)

To find out about a project or contact an energy agency in your region, go to  
<http://www.managenergy.net/emap/maphome.html>

### **What is meant by.....?**

*RES*: Renewable energy sources

*RES-E*: Electricity production from renewable energy sources

*RES-H*: Production of heat and cold from renewable energy sources

*Biofuels*: Mainly includes biodiesel and bioethanol

*Biomass*: Includes solid biomass, biowaste and biogas

*PV*: Photo-voltaic - technology for the production of electricity from solar energy

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