

## **The EU Renewables Directive 2009/28/EC**

Cost to the UK economy to meet 15% renewable energy target – between £5bn and £11bn / £330 and £730 per family in the UK. £22bn to meet 20% of energy from renewable sources. (Open Europe sourced [Department for Trade and Industry](#) document)

### **Talking Points**

#### **Expensive**

A leaked DTI paper estimated it would cost £22bn for the UK to reach 20% of energy use from renewable energy. Either the money comes from higher taxes to pay subsidies or higher fuel bills from fuel companies to compensate for the higher costs of renewable energy. The closure of [Vestas wind turbine factory](#) on the Isle of Wight shows how little support there is for a market solution to the EU renewable target. The only other alternative is government subsidy, which at £11bn for the UK's 15% target in the directive, is unaffordable.

#### **Impractical**

Open Europe have estimated that 2.5 wind turbines would need to be built every day until 2020 in order for the UK to meet its renewable energy target.

#### **Renewables are unreliable**

The Severn Barrage and wind, the most likely sources of supply, are intermittent and would need to be backed up with domestic power plant. Wind power, for instance, will only achieve [between 20 and 40%](#) of its full capacity of power. The closure of a quarter of UK power plant in 2015, forecast due to the Large Combustion Plant Directive, will limit the amount of domestic power back up on hand, leaving the UK facing black outs.

What is it?

An amended directive (2008) to implement a binding EU-wide target to source 20% of energy from renewable sources by 2020. Sources include biomass, wind, solar and hydro power. Nuclear power is not listed in the directive as being a renewable source of power.

The UK is duty bound to raise its share of renewable energy to 15% by 2020. In 2005, Britain gained only 1.3% of its fuel from renewable sources. Under the EU-wide targets, by 2020 the UK will have to increase its share of renewable energy the most, an eleven-fold increase on 2005 figures according to economist [Ruth Lea](#).

Additionally, the share of renewable energy in the final energy consumption of transport should reach at least 10 per cent by 2020 in each Member State.

Open Europe have found that to meet EU targets, between 30 and 40% of the UK's electricity production will have to come from renewable energy. They also estimate that to reach this target, the UK will have to build around 10,000 on and offshore wind turbines by 2020. That would mean 2.5 wind turbines have to be built every day until 2020.

The disparity in cost estimate varies on the amount of renewable energy directed to transport and heating etc under DTI forecasts. DTI forecast costs to extend to as much as £22bn to reach 20% of renewable energy use in the UK. BERR's own impact assessments cover a wide variety of options, with very diverse cost estimates.

Examples of projects already underway include the [£100million wind farm deal](#) as well as the Severn barrage.

Third Party Opinions

*"It is quite clear that the EU's Renewables Directive will significantly push up electricity prices. There'll be a double whammy. People, especially the less well-off and pensioners, will find their bills inexorably continuing to rise. And industry, especially the high-energy using sectors, will simply migrate overseas and jobs will be lost in Britain."* [Ruth Lea](#), director of Global Vision.