

Unlocking UK onshore wind for affordable bills and clean growth



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Executive summary

- Since 2015, government policy has barred onshore wind from accessing a route to market, and has erected unique planning barriers in England. This has resulted in a 93.6% reduction in the number of onshore wind applications made in England, and a projected 86% decline in the number of projects installed across the UK by 2019, compared to 2017 installation rates.
- These blocks amount to a shutting-down of the UK onshore wind industry, with few plans for new projects now the pipeline of legacy projects is largely exhausted.
- This policy has coincided with a rapid decline in the cost of onshore wind, which is now our cheapest form of new-build energy - and, crucially, is able to deliver projects subsidy-free. Onshore wind is extremely well placed to deliver policy priorities of controlling the cost of energy for households and businesses, and achieving clean growth in order to meet national climate targets.
- Over the two years the government has been blocking its development, public support for onshore wind has continued to grow, and now stands at 74%, far ahead of nuclear or fracking.

A de facto national ban on onshore wind

In 2012, around 100 MPs, predominantly Conservatives, wrote to David Cameron asking that government support for onshore wind be significantly reduced.¹ The letter raised two concerns:

- the amount of money consumers were paying through subsidies for onshore wind projects
- that the National Planning Policy Framework (NPPF) diminished the chances of local communities being able to refuse a local wind project. The letter called for 'subtle amendments' to be made to the planning framework to 'rebalance the system'.

In 2015, the Conservative manifesto consequently included a commitment to 'halt the spread of onshore wind', citing failure to win public support as a key reason. Since 2015, this commitment has been implemented by:

- bringing forward the closure of the Renewable Obligation Certificates financial support scheme for onshore wind

- barring onshore wind from bidding into a Contracts for Difference (CfD) auction, which establishes competitive long-term contracts for new renewable energy projects
- issuing a Written Ministerial Statement (WMS) in June 2015, which introduced additional planning conditions for onshore wind projects in England. These conditions are unique within the planning system, and provide local planners with no criteria as to how they should be met. They are consequently all but impossible to meet.

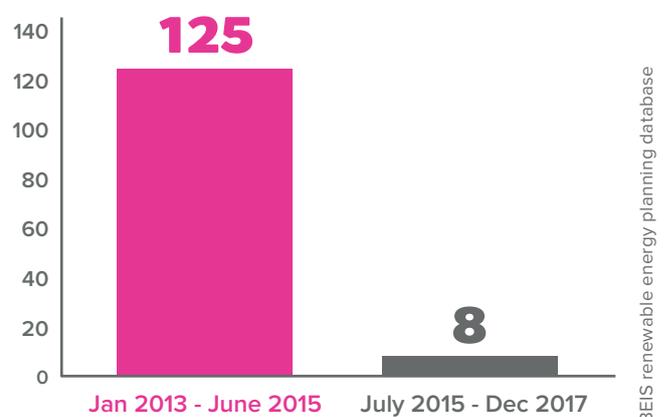


Fig.1 Onshore wind applications submitted in England

The impact of these policies on UK onshore wind has been a drastic decrease in applications for future projects, which will result in a scaling-back of deployment from 2018 onwards. This is despite the fact that since 2015 onshore wind has become the cheapest new energy source in the UK.

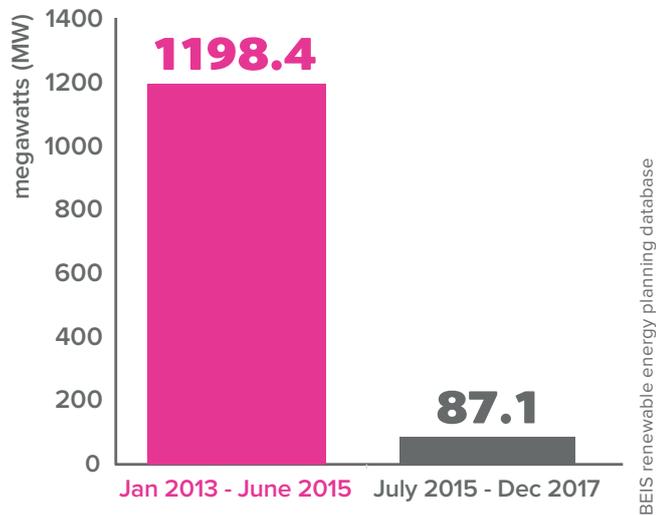


Fig.2 Onshore wind capacity applied for in England

Our recent analysis reveals that there has been a 93.6% reduction in the number of onshore wind applications made in England since the WMS was issued, representing a 91.7% reduction in potential installed capacity.² Nationally, the amount of new onshore wind installed is expected to fall by 86% by 2019 compared to 2017 installation rates, largely as a result of the lack of a route to market via a Contracts for Difference (CfD) auction.³ This amounts to a shutting-down of the onshore wind industry, just as it becomes our cheapest energy source.

Onshore wind - our cheapest new energy source

Since the Conservative manifesto commitment was adopted in 2015, the cost of onshore wind has fallen rapidly. It is now the cheapest new energy source in the UK - and, crucially, can

be deployed without subsidy. Onshore wind is therefore extremely well placed to deliver policy priorities of controlling the cost of energy for households and businesses, and achieving clean growth.

A report produced by Baringa Associates in 2017 found that, were government to allow onshore wind to bid into a CfD auction, new projects would deliver at just £49.40 per megawatt hour (MWh). This is nearly 40% less than projects cost in 2015, and is comparable to, or even below, the projected wholesale price of electricity in the UK. Baringa consequently estimates that government would receive an £18 million net payback over the life-time of projects.⁴

The recent UK auction for offshore wind demonstrates this rapid cost decline trend, with projects agreed at £57.50/MWh - less than half of what they cost in 2015.⁵ It can also be seen around the world, with a recent onshore auction in Germany delivering a strike price of just €38.00/MWh, which is well below the UK wholesale price.⁶ These prices compare to Hinkley at £92.50⁷ and new gas at around £66.00 per MWh.⁸

The cost of blocking the cheapest form of renewable energy, and replacing this capacity with more expensive low-carbon options, such as biomass and nuclear, is estimated at £1 billion over five years. This figure is likely to increase as turbine technology becomes more efficient, leading to further cost declines and more projects delivering subsidy-free in Europe.⁹

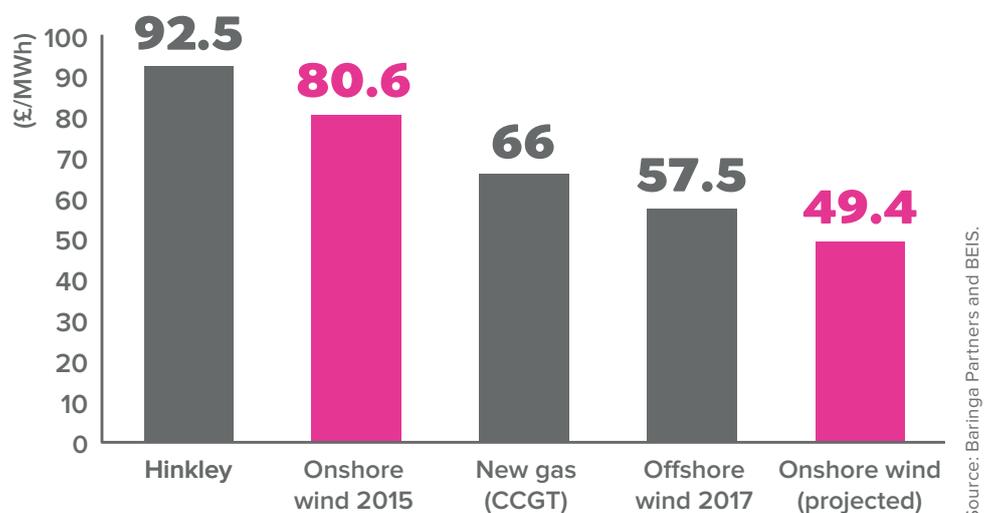
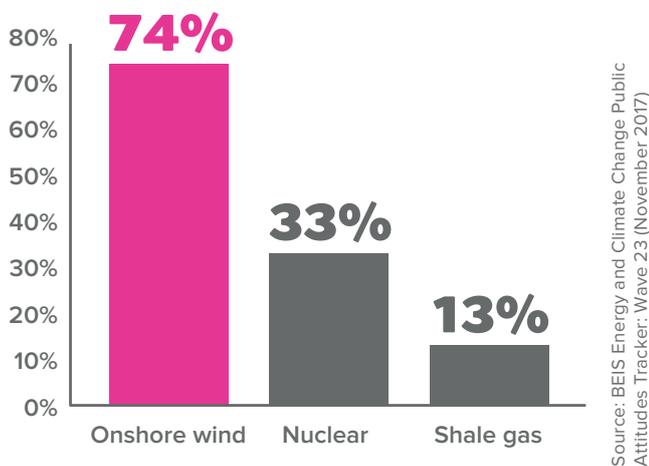


Fig.3 Cost of energy comparison

Public support for onshore wind

Since 2015, public support for onshore wind has continued to grow, with BEIS statistics showing 74% of the public now support onshore wind - up from 67% in 2012. This compares to falling public support for fracking and nuclear, now standing at 13% and 33% respectively.¹⁰



Source: BEIS Energy and Climate Change Public Attitudes Tracker: Wave 23 (November 2017)

Fig.4 Public support for energy sources

This support is found across age groups and regions. While it is highest among younger voters, with a recent analysis revealing just 0.1% of 16-44 year-olds strongly oppose onshore wind, opposition is reducing at the fastest rate among people aged 65 and over.¹¹

A recent YouGov poll commissioned by 10:10 shows 65% of people would be happy to live within five miles of a wind farm, compared to just 21% and 15% for fracking and small modular nuclear reactors (SMRs). Perhaps surprisingly, local onshore wind is shown to be most popular in the south of England (excluding London), where 70% of people are happy to live near wind turbines.¹²

New polling released since 2015 shows that 60% of Conservatives would support more onshore wind provided there is no subsidy. Conservative voters also give onshore wind a higher approval rating than gas, nuclear or coal.¹³

Since onshore wind projects were removed from the Nationally Significant Infrastructure Projects (NSIP) regime in 2016, all projects must now go through local planning processes and involve consultation with local communities, making public support for onshore wind more significant to national policy considerations.

Onshore wind is very popular, and has support for local deployment across different regions and demographics. This contradicts assumptions underpinning the government's policy, which has blocked new onshore wind projects on the basis that communities do not want them.

Time to think again

In order to meet the government's policy priorities of controlling energy costs for households and businesses and leading the world on clean growth, the government must take urgent action to rehabilitate onshore wind in the UK and preserve the domestic supply chain. This requires:

- **bringing forward a national auction or other route to market for onshore wind across the UK, and establishing support for community and smaller scale onshore wind through appropriate financial mechanisms**
- **removing the planning blocks placed on onshore wind in England, allowing communities the opportunity to consent to new projects through the normal planning system.**

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7. www.gov.uk/government/collections/hinkley-point-c

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We're 10:10. We help people tackle climate change.

Whether we're installing solar panels, cooking up a vegan feast, celebrating the power of onshore wind, or lighting up our favourite places with LEDs, we're positive, inclusive and dedicated to cutting carbon.

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