

COUNCIL – 23rd July 2008

BRIEFING NOTE – Renewable Energy Tariff

Motion

“This Council notes:

- that the UK produces less than 2% of its total energy from Renewable Energy sources and is at the bottom the European Renewable Energy ‘league table’
- that countries in the European Union that have adopted a fixed term Renewable Energy Tariff such as Germany, Italy and Spain have seen a substantial rise in the percentage of their energy from renewable sources.

This Council:

- supports the amendment to the Energy Bill currently before Parliament that calls on Government to establish a Renewable Energy Tariff within 12 months for the generation of local renewable heat, renewable power and renewable gas.
- will write to the Energy Minister Malcolm Wicks MP calling on the UK Government to act with urgency and to ensure the adoption of a Tariff for local energy under the current Energy Bill which will now be delayed over Summer.
- will contact Friends of the Earth and the Renewable Energy Association informing them of our support for their campaign.”

Officer comments

The Energy Bill was introduced in the House of Commons on 10 January 2008 and contains the legislative provisions required to implement UK energy policy following the publication of the Energy Review 2006 and the Energy White Paper 2007.

This policy is driven by the two long-term energy challenges faced by the UK: tackling climate change by reducing carbon dioxide emissions, and ensuring secure, clean and affordable energy.

A cross party amendment to the Bill, known as ‘New Clause 4: “Renewable Energy Tariff”’, was debated when the Energy Bill received its Third Reading in the Commons on 30 April. 270 MPs have signed a Parliamentary petition (Early Day Motion) asking for the Energy Bill to be amended to include a feed in tariff for small scale renewables.

The intention of a feed in tariff is to provide a financial incentive for householders and businesses to invest in clean technologies such as solar panels for their homes and offices.

Almost 50 countries have introduced some sort of feed-in tariff legislation. Most of those countries are well ahead of the UK in delivering a proportion of energy from renewable sources. The UK currently delivers about 2 per cent. of its energy from renewable

sources and the government have entered into an EU commitment to deliver 15 per cent. of our energy from renewable sources by that time.

At this stage Clause 4 only commits the Secretary of State to the establishment of a reward scheme for metered renewable energy and to do so within one year. The Clause leaves open until after consultation the detail of how a metered UK tariff would work, which scale and types of renewable technology would qualify and the level of any Tariff.