

6.2 Low Carbon Energy

The widescale development and deployment of renewable and low carbon energy is a key aspect of the UK's transition to a low carbon economy. Government has a vital role to play in supporting business in developing these new technologies and incentivising investment in the UK. This is why the SIF and the additional £155 million allocated to DECC in Budget 2009 for the Environmental Transformation Fund, are supporting a range of investments in renewable energy and low carbon technologies. These investments by government will support business in making the most of low carbon opportunities, access to facilities for R&D, and reducing costs of manufacturing in the UK³.

TUC General Secretary, Brendan Barber said:

'By leading the way and not simply leaving the shape of the UK's greener future to the whims of the market, ministers have shown how they intend to help firms and the UK workforce move into the new low carbon era.'

The UK has already demonstrated considerable strengths in some aspects of renewable energy, notably the development and testing of wave and tidal technologies.

This is why a number of investments have been focused on ensuring that research and development facilities for wave and tidal are world-class. The Low Carbon Industrial Strategy announced up to £60 million to help accelerate the development and deployment of wave and tidal energy in the UK.

This new funding will support Wave Hub – a groundbreaking project in the South West of England creating the UK's first offshore facility for the demonstration of wave energy generation devices (see Box C); testing facilities at the New and Renewable Energy Centre (NaREC) and the European Marine Energy Centre (EMEC) and a Marine Renewables Proving Fund to support testing and demonstration of pre-commercial renewable devices. Together these facilities will help accelerate the development and deployment of wave and tidal energy, building capabilities in the UK and cementing our current position as a global leader in this sector.

³ More information on the supporting low carbon economic analysis can be found in BIS Economics Paper No 1, 'Towards a low carbon economy: economic analysis and evidence for a low carbon industrial strategy'