



[Ed Miliband adds £150 to household bills with wind turbine building spree](#)

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Body

Bill payers are to spend as much as £150 per household on new wind turbines as Ed Miliband oversees a record-breaking [expansion of green energy](#).

The money – a total of £3bn, which will ultimately come from consumers – is to fund the construction or expansion of nine offshore wind sites between 2027 and 2031, most of them owned by foreign energy companies, plus other green technologies such as onshore wind and solar.

Denmark's state-controlled energy company **Orsted** is among the biggest winners, along with ScottishPower, which is owned by Spanish utility Iberdrola.

The money for wind turbines has been agreed as part of a government auction for renewable energy contracts known as the Allocation Round 6 (AR6). Under this system, the Government encourages companies to build low-carbon energy plants such as solar and wind farms by offering a minimum price for the electricity generated. The money for such subsidies is eventually added to bills.

The UK's power grid operator, National Grid Electricity System Operator (ESO), calculates "budget impact" of the subsidies for offshore wind and other renewables at £4bn from 2026 to 2031, in today's money.

The costs given exclude the additional expense of transmission lines and the expansion of the national grid to handle the extra power.

It means more than five gigawatts (GW) of new offshore wind is now set for construction – a stark contrast to last year's [botched auction round when there were no bids](#). The Tories offered subsidies so low – at £40 per megawatt hour (MWh) – that no offshore wind developers came forward. Subsidies under Mr Miliband will be more than doubled to more than £82 per MWh.

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Solar farms will get £70/Mwh, with newer technologies like floating wind handed £195/Mwh and tidal stream projects given £239/Mwh.

A total of 131 clean energy projects have won state subsidies in this year's auction, including 115 solar projects across England and onshore wind projects mainly in Scotland and Wales.

Many of the onshore projects are likely to prove highly controversial, with homeowners and environmentalists objecting to the [*industrialisation of landscapes with panels and turbines*](#).

However, Mr Miliband hailed the auction results as a triumph. The Energy Secretary said: "We inherited a broken energy policy ... Today we have a record-setting round for enough renewable power for 11m homes, essential to give energy security to families across the country.

"It is another significant step forward in our mission for clean power by 2030 – bringing Britain energy independence and lower bills for good."

However, much will depend on the market value of electricity in coming years. If the market value rises above the values offered under the contracts for difference (CfDs), the energy companies could end up refunding part of the extra money.

[*Orsted*](#) is one of the biggest winners. It has been allowed to shunt much of its Hornsea 3 project out of contracts signed under previous allocation rounds, where lower subsidies were offered, into this year's auction.

A spokesman for Mr Miliband said the move had been permitted because otherwise Hornsea 3 – [*potentially the world's largest wind farm at 3GW*](#) – might never have been built.

Critics will argue that such contracts become meaningless if companies can simply move them from one auction round if a subsequent one offers better terms.

[*Orsted*](#) was also awarded a 2.4GW CfD for Hornsea 4. Rasmus Errboe, of [*Orsted*](#), said: "We look forward to delivering these landmark projects, which will supply renewable power at a large scale to UK consumers and businesses and help the UK Government achieve its target of quadrupling offshore wind capacity to 60GW by 2030."

ScottishPower, owned by Spanish utility giant Iberdrola, has been offered contracts for another two large wind farms, East Anglia Two and East Anglia Three. As with [*Orsted*](#), it was allowed to move its East Anglia Three project out of the contracts signed under a previous and less lucrative auction into this year's round.

Keith Anderson, the chief executive of ScottishPower, said: "Offshore wind is back on track after last year's misstep.

"This auction's success shows this tried and tested investment mechanism, replicated globally, delivers exactly the scale of action needed, with billions of pounds to be pumped into the British economy replacing ageing, polluting infrastructure."

However profits from ScottishPower's projects will go to Iberdrola's shareholders – largely in Spain.

Responding to today's CfD auction AR6 results, Emma Pinchbeck, Energy UK's chief executive, said: "AR6 represents a crucial step in the journey to clean power by 2030. As we recover from an energy crisis caused by our exposure to international fossil fuel prices, it's more important than ever that we build a clean energy system that can ensure our energy security and protect homes and businesses across the country from unaffordable energy bills."

She added: "This is by far the cheapest way to power the UK."

Claire Coutinho, the shadow energy secretary, said: "I welcome the 5GW of offshore wind contracted in the latest renewable auction which I started last year.

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“Under the Conservatives, Britain built more offshore wind than any other country bar China, thanks to the competition enabled by CfDs – which the Conservatives introduced in 2014.”

John Constable, director of Renewable Energy Foundation, a UK charity publishing data on the renewables sector, said: “Ed Miliband is spending consumer funds on a scale that is as reckless as it will be eye-wateringly painful. Billions in new subsidies on an offshore wind industry that was only recently claiming to have slashed costs, billions to make nuclear viable in markets distorted by wind and solar, and yet more in charges to pay for grid and constraint payments.”

He concluded: “This cannot end well.”

A Department for Energy Security and Net Zero spokesman said it did not recognise the costs per household, but renewable energy remained essential to boost UK energy security.

“Investing in renewables is crucial to reverse the legacy of a broken energy policy, so we are no longer reliant on volatile fossil fuel prices which left us vulnerable to a cost of living crisis. These projects will help protect bill payers permanently.”

Industry experts said the 3.4GW of generation capacity delivered by the auction was far short of what the Government needed – leaving a gap of 28GW to be filled by 2026.

Sam Hollister, of energy consultancy LCP Delta said: “This auction only delivered 3.4GW of new offshore wind projects, with another 1.5GW already in the pipeline. This is well below the levels that were needed in this auction for the UK to reach its target of 55GW of offshore wind by 2030.”

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