

Miliband's wind farms to cost families £150; Households to pick up £3bn bill as Energy Secretary oversees record expansion of renewables



## *Miliband's wind farms to cost families £150; Households to pick up £3bn bill as Energy Secretary oversees record expansion of renewables*

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## Body

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BILL payers are to spend as much as £150 per household on new wind turbines as Ed Miliband oversees a record 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 power 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 off-shore wind developers came forward.

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Subsidies under Mr Miliband will be more than doubled to over £82 per MWh. Solar farms will get £70/MWh, with newer technologies such as 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. He 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."

**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 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.

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.

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