

Press release: Boost for island wind projects as UK government announces new funding for renewable generation

- Latest auction brought forward over 1GW of clean electricity for Scotland
- UK decarbonising faster than any other G20 nation, with renewables now providing 30% of the UK's electricity supply

The UK government intends to allow wind projects on the remote islands of Scotland to compete in the next competitive auction for less established renewable technologies (Contracts for Difference) to be held in spring 2019, it was announced today. The UK government has also announced that up to £557 million of support will be available for future Contracts for Difference auctions.

Ahead of the launch of the UK government's Clean Growth Strategy, Energy Minister Richard Harrington said:

The UK government's Clean Growth Strategy has set out how the whole of the UK can benefit from the global move to a low carbon economy.

Scotland already has a strong record in exploiting the potential of clean growth, with more than half of Scottish electricity consumption coming from renewable sources.

We want to go further creating thousands of good jobs and attracting billions of pounds worth of investment. That's why we are ensuring that remote island wind projects in Scotland, which have the potential to benefit the island communities directly, have access to the same funding opportunities as offshore wind in the next renewables auction round.

Scottish Secretary David Mundell said:

Wind projects on the remote islands of Scotland have the potential to generate substantial amounts of electricity for the whole of the UK and I am delighted they will have the opportunity to compete in the next round of Contracts for Difference. This UK government investment is vital in realising the potential of less established renewable technologies, as well as providing Scottish jobs in the projects supported.

Clean Growth is at the heart of the Industrial Strategy, and the UK government is determined to unlock opportunities across the UK, while cutting carbon emissions as the world moves to towards a low

carbon future.

The last competitive auction to bring more renewable projects into the market ended in September and brought forward commitments for enough electricity generation to power 3.6 million homes. It secured 3.2GW of electricity from offshore wind projects including the Moray East offshore wind farm which will provide 950MW of capacity, capable of powering over 950,000 homes.

A 2013 report for the UK and Scottish governments concluded that wind projects on the Western Isles, Orkney and Shetland could supply around 3% of the UK's total electricity demand.

With over 700MW of wind projects with current planning consents on these islands, this announcement gives certainty that the UK is an attractive place to invest. This will also benefit the skilled UK supply chain, with many projects expected to spend over 50% of their capital and operating costs within the UK.

The Clean Growth Strategy looks across the whole of the economy and the country. It includes ambitious proposals on housing, business, transport and the environment, as well as the power sector.

Greg Clark, Secretary of State for Business, Energy and Industrial Strategy, met members of the Scottish Island Renewable Delivery Forum in April on the Isle of Lewis, in the Outer Hebrides of Scotland. In August UK Energy Minister Richard Harrington chaired a roundtable in Aberdeen with a range of stakeholders to discuss how wind projects on the islands of Scotland (Orkney, Shetland and the Western Isles) can directly benefit the local communities.

- The UK government has submitted an application to the European Commission seeking State aid approval for this change to the Contracts for Difference scheme.