

Building the Western Powerhouse



The Greens | **EFA**
in the European Parliament

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Economics of Renewables



- Failure to develop renewables is a waste of a significant economic resource
- Like all energy generation are dependent on subsidy and hence politically vulnerable
- South West could return to role as industrial leader

Progress already made

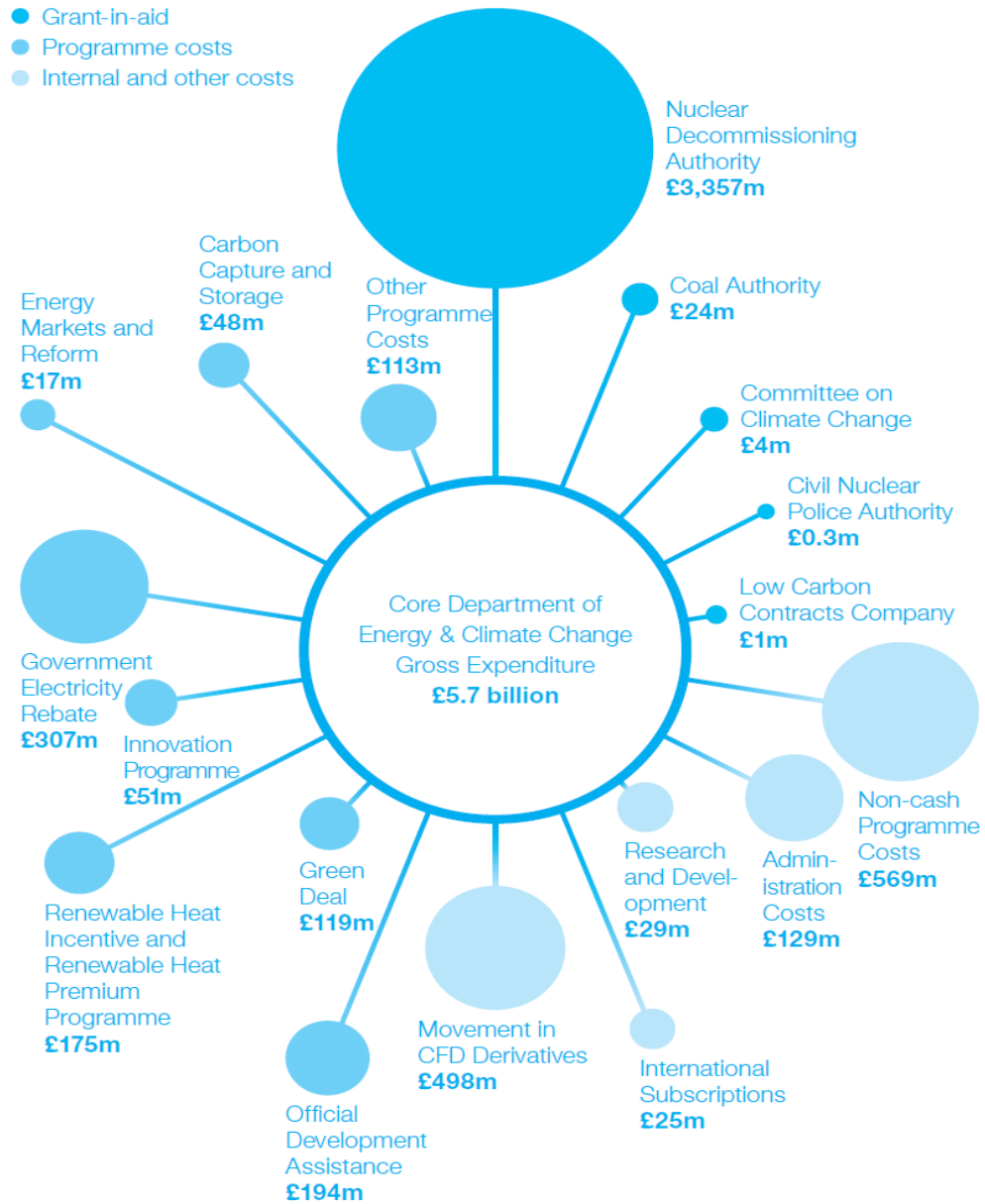
- Regen SW- 14% electricity from renewables / 13m homes
- 88% growth in capacity last year
- 23% of FiT more than any other UK region
- £3m investment and 12,000 jobs created



Government attacks on renewables

- Renewables obligation scheme closed to onshore wind from 1 April 2016
- No replacement for the doomed Green Deal for home insulation
- CCL extended to renewables
- Abandoning green tax target
- Abandoning zero-carbon homes
- Swansea Bay tidal lagoon to receive subsidy?
- 87% cut in the Feed In Tariff for solar PV

Figure 3: Where the core Department spent its money in 2014-15



The facts about subsidies

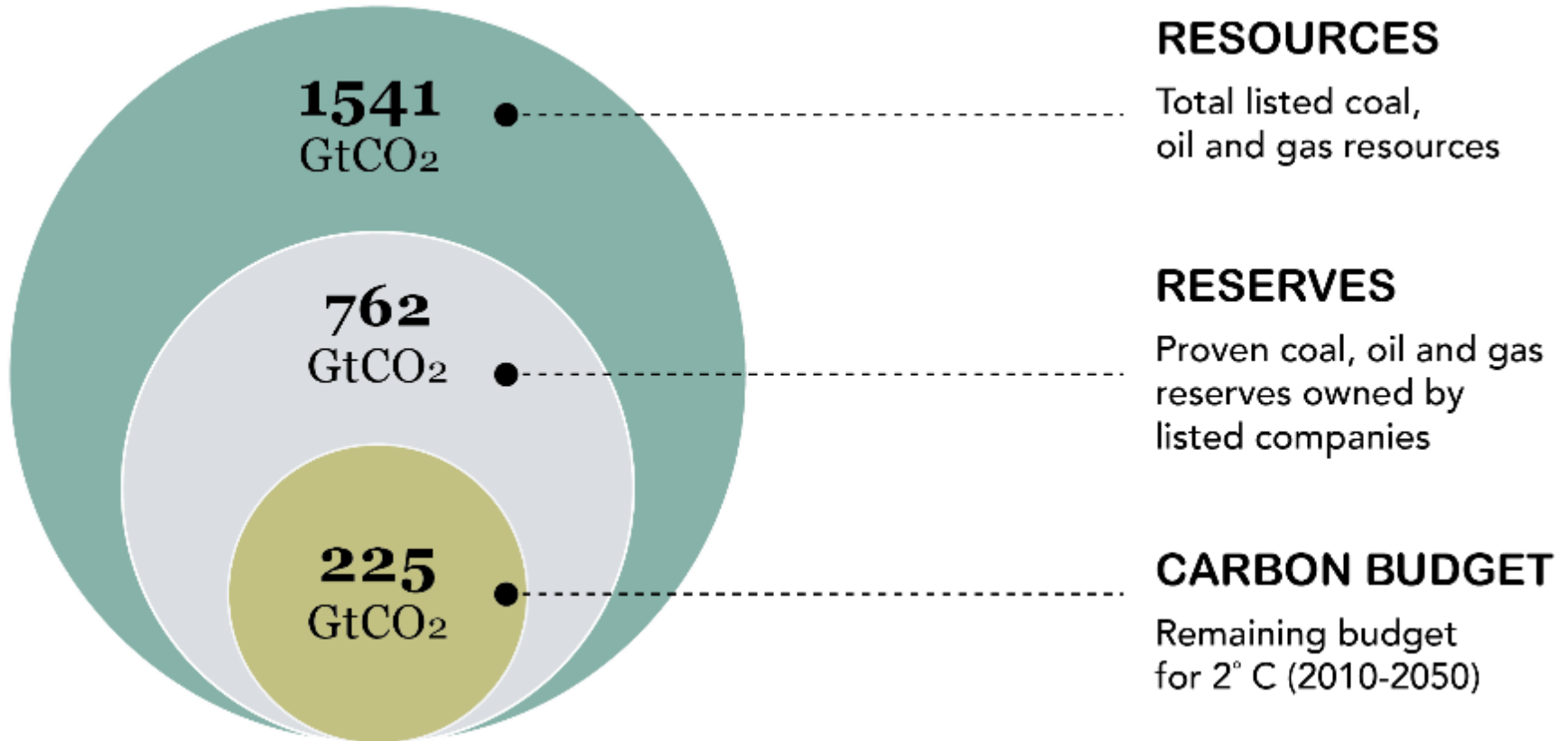
- In 2014 renewable subsidies were responsible for £45 of the £1,369 average household bill
- IMF calculates fossil fuel subsidies cost each person in the UK £400 a year.
- IMF reports fossil fuel subsidies of \$5.3 trillion a year, more than the total health spending
- Subsidies for Hinkley Point C are expected to add approximately £14 to average energy bill.

Raising the issue with Vestager

- Hinkley taking up grid capacity
- CCL on renewables
- Chilling effect on renewables
- But is it actual unfair competition?
- Commissioning new report to explore



Carbon Bubble



Carbon Tracker has 'allocated' to the listed fossil fuel companies a Carbon Budget to 2050 with 80% likelihood of staying below the 2° C threshold. Such carbon Budget could be broken in few decades.

Regulators are starting to move

“The vast majority of reserves are unburnable if global temperature rises are to be limited to below 2 °C. [...] The tragedy of the horizons could cause market failure.”

“We [Bank of England] will be deepening and widening our inquiry into stranded assets and I expect the Financial Policy Committee to also consider this issue as part of its regular horizon scanning work on financial stability risks”

[Mark Carney, Governor of the Bank of England,](#)
October, 2014

Now also on the agenda of the ECB



Industry vs. The City

- Wind now the cheapest way to generate electricity
- Government defending fossil assets and City
- West Country has a huge competitive advantage
- EU competition law



What can we do?

- Expose fossil fuel subsidies – challenge Tories in SW
- Make case for stranded assets and divestment – end game of climate change
- Invest in our own community renewables
- Ensure community support for schemes – now to be a material planning consideration

Find out more

- My website:
www.mollymep.org.uk
- Greens-EFA website:
<http://ttip2015.eu/>
- Sign up to my monthly newsletter

