

## Part Two: How Would the Renewables Obligation's Early Closure Affect the UK Onshore Wind Industry?

Article By:

William Lowery

---

[Part One](#) of this series outlined the RO scheme and the expected announcement to close the RO earlier than anticipated. In this second post, we consider the potential impact of such measures upon the onshore wind industry.

Until the consultation with devolved authorities (Scotland and Northern Ireland) is completed, and detailed proposals are published, the timing and nature of the impact on the industry will be uncertain.

There are currently around 3,000 new turbines with a combined capacity of more than 7 gigawatts seeking planning permission, many of which would have been expecting to secure accreditation under the RO. Bloomberg Energy Finance has estimated that, if the RO closes to new generating capacity in 2016 and onshore wind was not eligible for public subsidy under the Contracts for Difference scheme, less than half the capacity of projects in advanced stages of planning would benefit from subsidies.

The majority of the planned projects are due to be located in Scotland. Given the apparent tension between the Scottish First Minister and Prime Minister over the future of onshore wind (referred to in our first post in this series), there is currently uncertainty as to whether or not the applicable RO in Scotland would close in 2016. This is an important consideration regarding the possible impact of any proposed measures.

It is unclear whether there would be a 'grace period' in relation to the changes, which could enable projects that already have planning permission to be included under the RO scheme, and closing the RO for those that do not. Ian Marchant, chairman of wind developer Infinis Energy, said: "*The Government's alleged plans to close down the Renewable Obligation-regime early for onshore wind beggar belief. . . . If the RO is terminated early without reasonable grace periods in place, not a single energy or large scale infrastructure project in the UK will be safe going forward.*"

The potential impact of such measures is giving rise to considerable uncertainty and concern over the future of the onshore wind industry. In our final post in this series, we will consider what action could be taken by industry participants who may be affected by the early closure of the RO.

National Law Review, Volume V, Number 169

Source URL: <https://natlawreview.com/article/part-two-how-would-renewables-obligation-s-early-closure-affect-uk-onshore-wind-indu>