

PRESS RELEASE
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THE ALL WALES ENERGY GROUP EXPRESSES CONCERN OVER FINANCIAL COST OF WIND FARMS

The All Wales Energy Group (AWEG) today expressed concern at the National Audit Office finding that Wind Farms are 'pushing up price of electricity'. The Parliamentary Watchdog say that wind farm operators are making huge profits as part of the Government's environmental policy.

The NAO points out that the costs of the present system to the consumer are vastly out of proportion to the benefits, and some forms of renewable are over subsidised to the detriment of others. According to the NAO onshore wind is over subsidised by approximately 33% as currently around three quarters of the income of a wind-farm is from indirect consumer subsidy. The result is an over-emphasis on the construction of onshore wind, and an almost total neglect of more complicated technologies requiring skilled development.

The report also says that the overall cost of renewable energy, such as wind farms, could add more than £1 billion a year to electricity prices by the end of the decade. This will amount to an additional rise in bills of 5.7 per cent.

The National Audit Office recommends the introduction of "banding" in the Renewables Obligation to distinguish technologies such as tidal and biomass, which are capable of "firm", reliable, generation, and have much more to offer to the UK in terms of security and reliability of supply, and cost-effective emissions reduction.

AWEG Spokesperson Robert Cottam continued, ' Whilst we agree on the importance of cutting CO2 emissions, it is vital that the policies chosen give the people of Wales value for money. The NAO estimates that the cost of cutting CO2 emissions through the RO in 2010 will be between £75 and £140 per tonne. For this extremely high cost the public is entitled to see the development of firm generating technologies which are good team workers and which will work with the rest of the overall portfolio.

The report is likely to increase concerns over the spread of controversial onshore wind farm developments across Wales.

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For further information on the All Wales Energy Group (AWEG), please contact Margareta Stanley at DBA on 020 7930 8033 or e-mail info@nchl.demon.co.uk