



PRESS RELEASE

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New Anglo-German Foundation Report

How come Britain has all the wind, but Germany has all the wind farms?

Despite having only average wind conditions, Germany has the largest operating capacity of wind power in the world and enjoys world leadership in the manufacture of wind turbines. In contrast, the UK has the best wind resource in Europe but little installed capacity and an underdeveloped manufacturing base.

A new report **Wind Power in Britain and Germany: Explaining contrasting development paths** - just published by the Anglo-German Foundation (www.agf.org.uk) - suggests that German policy-makers recognised the need to adjust policy instruments to changes and developments in the policy environment and acted accordingly, whereas their British counterparts have so far failed to draw the necessary lessons from national experience or international comparison.

The report goes on to propose a set of policy recommendations based on its analysis:

"It is clear that the German 'feed-in tariff' has proved a highly flexible and manageable policy instrument. In contrast, the UK's Renewables Obligation (RO) has proved more costly but less productive. Moreover, the RO is making wind power progressively more expensive to the UK consumer at a time when degressive 'feedin rates' are making it cheaper in Germany.," says Ingolfur Blühdorn, one of the authors from the University of Bath.

His colleague Joe Szarka continues: "We cannot over-emphasise the need to provide a stable investment environment for new technologies. The lower risks to investors in the German system contribute to its superior performance. However, strategic support should not be allowed to turn into permanent subsidy."

The UK government is currently conducting a consultation exercise on proposed reforms to the Renewables Obligation, the principal instrument to support the growth and development of renewable energy sources. The importance of this can hardly be overstated at a time of sharply rising concern over the security of the UK's future energy supply, and over the looming global climate crisis resulting in large measure from the burning of fossil fuels in the industrialised world. Yet a direct comparison of the RO with the renewables support measures adopted in Germany suggest that it is fundamentally misconceived.

Will the current consultation exercise coincide with a change in the Whitehall culture? Or will the UK be left drifting in the doldrums once again?

Wind Power in Britain and Germany: Explaining contrasting development paths

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