

## Onshore Wind Subsidies

3.34 pm

**The Secretary of State for Energy and Climate Change (Amber Rudd):** With your permission, Mr Speaker, I would like to make a statement on ending new subsidies for onshore wind.

The Government are committed to meeting objectives on cutting carbon emissions and to continuing to make progress towards the UK's 2020 renewable energy targets. The renewable electricity programme aims to deliver at least 30% of the UK's electricity demand from renewables by 2020. We are on course to achieve that objective. Renewables already make up almost 20% of our electricity generation and there is a strong pipeline to deliver the rest. As we decarbonise, it is imperative that we manage the costs to consumers. Although renewable energy costs have been coming down, subsidies still form part of people's energy bills, and as the share of renewables in the mix grows, the impact gets proportionately larger. One of the Government's priorities is to bring about the transition to low-carbon generation as cost-effectively and securely as possible.

The levy control framework, covering the period up to 2020-21, is one of the tools to help to achieve that. It limits the impact of support for low-carbon electricity on consumer bills. We have a responsibility to manage support schemes efficiently within the levy control framework to ensure that we maintain public support for the action we are taking to bring down carbon emissions and to combat climate change.

Government support is designed to help technologies to stand on their own two feet, not to encourage a permanent reliance on subsidies. We must continue to take tough judgments about what new projects get subsidies. Onshore wind has deployed successfully to date and is an important part of our energy mix.

In 2014, onshore wind made up around 5% of electricity generation, supported by around £800 million of subsidies. At the end of April 2015, there were 490 operational onshore wind farms in the UK, comprising 4,751 turbines in total. Those wind farms have an installed capacity of 8.3 GW—enough to power the equivalent of over 4.5 million homes.

The electricity market reform delivery plan projects that we require between 11 and 13 GW of electricity to be provided by onshore wind by 2020 to meet our 2020 renewable electricity generation objective, while remaining within the limits of what is affordable. We now have enough onshore wind in the pipeline, including projects that have planning permission, to meet that requirement comfortably.

Without action, we are very likely to deploy beyond that range. We could end up with more onshore wind projects than we can afford, which would lead to either higher bills for consumers, or other renewable technologies, such as offshore wind, losing out on support. We need to continue investing in less mature technologies so that they realise their promise, just as onshore wind has done. It is therefore appropriate to curtail further subsidised deployment of onshore wind, balancing the interests of onshore developers with those of bill payers.

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This Government were elected with a commitment to end new subsidies for onshore wind and to change the law so that local people have the final say on onshore wind applications.

Colleagues, particularly my hon. Friend the Member for Daventry (Chris Heaton-Harris) and, additionally, my hon. Friends the Members for Montgomeryshire (Glyn Davies) and for Selby and Ainsty (Nigel Adams), and my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips), have led the way in calling for this. Six weeks into this Government, we are acting on that commitment. Alongside proposals outlined within the new energy Bill to devolve decision making for new onshore wind farms out of Whitehall, my right hon. Friend the Secretary of State for Communities and Local Government has set out further considerations to be applied to proposed wind energy development in England so that local people have the final say on onshore wind farm applications.

I set out to Parliament on 18 June proposals to end new subsidies for onshore wind, specifically in relation to the renewables obligation, which will be closed to new onshore wind from 1 April 2016—a year earlier than planned. My Department's analysis indicates that, after taking account of an early closure, onshore wind deployment under the RO will be in the region of 11.6 GW. With that capacity, and the capacity of onshore wind projects that have received support through the new contracts for difference, we expect about 12.3 GW of onshore wind to be operating in the UK by 2020, supported by the levy control framework, which will provide about 10% of electricity generation. That puts us above the middle of the deployment range set out in the EMR delivery plan, which provides our best estimates of what we will need to meet the planned contribution from renewable electricity for our 2020 targets.

I have proposed a grace period that will continue to give access to support under the RO to projects that, as of 18 June 2015, had planning consent, a grid connection and acceptance and evidence of land rights for the sites on which their projects will be built. We estimate that about 7.1 GW of the onshore wind capacity that has been proposed across the UK will not be eligible for the grace period and is therefore unlikely to go ahead as a result of the announcement on 18 June. That equates to about 250 projects, totalling about 2,500 turbines, that are unlikely to be built.

Therefore, by closing the RO to onshore wind early, we are ensuring that we meet our renewable electricity objectives, while managing the impact on consumer bills and ensuring that other renewables technologies continue to develop and reduce their costs. Consumer bills will not rise because of this change. Indeed, the onshore wind projects that are unlikely to go ahead could have cost hundreds of millions of pounds. I believe that we have drawn the line in the right place.

In advance of this announcement, I and other Ministers and officials discussed the proposals with the devolved Administrations in Wales, Northern Ireland and Scotland. We want to hear the further views of the devolved Administrations, as well as of industry and other stakeholders. This is just the beginning of the process, and we will continue to consult them as we move towards implementation.

The changes to the renewables obligation do not affect remote island wind proposals, which would not have been in a position to receive RO subsidy even under the

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previous timelines. I will say more about how future CfD projects will be treated in due course. However, I am conscious that 68% of the onshore wind pipeline relates to projects in Scotland. I will continue to consult colleagues in the Scottish Government. Indeed, I am meeting the Scottish Minister for Business, Energy and Tourism, Fergus Ewing, on Wednesday. Because we are implementing these changes through primary legislation, they will be subject to full parliamentary scrutiny, including by Members representing Scottish constituencies.

On contracts for difference, we have the tools available to implement our manifesto commitments on onshore wind and will set out how we will do so when we announce our plans for further CfD allocations. I will shortly be considering options for future support for community onshore wind projects that might represent one or two turbines through the feed-in tariff, as part of the review that my Department is conducting this year. I do not wish to stand in the way of local communities coming together to generate low-carbon electricity in a manner that is acceptable to and supported by them, including through small-scale wind capacity. However, that action must be affordable as well as acceptable.

Clean energy does not begin and end with onshore wind. Onshore wind is an important part of our current and future low-carbon energy mix, but we are reaching the limits of what is affordable and what the public are prepared to accept. We are committed to meeting our decarbonisation objectives. The changes that I have outlined to Parliament will not change that. I look forward to having meaningful discussions with industry, other stakeholders and colleagues in the House and in Scotland, Wales and Northern Ireland on how we will move forward.

**3.43 pm**

**Caroline Flint (Don Valley) (Lab):** I thank the Secretary of State for advance notice of her statement today at 2.22 pm.

It is only four days since I heard the Secretary of State on the "Today" programme, explaining her Government's policy changes to onshore wind. That was followed by a written statement later that morning, along with a written statement from the Department for Communities and Local Government on the same subject. Today, she has been forced to come to the House because of the confusion and concern that she has caused. There is concern about the Government's commitment to our renewable targets and to supporting value for money. There is confusion as to how her policy will apply in practice, and confusion across the renewables sector, where certainty to encourage investment is paramount.

I made clear to the onshore wind sector before the general election that, although I did not support a cap, a clear pathway to being subsidy-free was an outcome I wanted, so why do I have doubts about the Secretary of State's announcements? We know, despite the fact that something like 69% of the public support onshore wind—it is the most popular of the renewable energy-generating supply technologies—*[Interruption.]* It is true. We know that the Secretary of State wants to appease many of her Back Benchers, who seem to hate onshore wind, although one of them is making money out of a solar farm. The election promise of a cap on onshore

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wind was music to their ears, although they were probably not aware that nearly 1,000 projects had planning permission. It is not clear to me and many others whether the sum of all the Secretary of State's rhetoric really adds up.

The Secretary of State has proposed a grace period for projects that, as of last week when the written statement was made, had in place planning consent, access to the grid and land rights. Can she confirm that, according to her statement today, that means something like 75% of onshore wind projects with consent will go ahead? The changes to the rules will have to be done through primary legislation, and it could be at least six months between last week's statement and Royal Assent.

Can I ask the Secretary of State whether, as part of her consultation, she is open to projects that have planning consent, a grid access offer and all land rights sorted before Royal Assent, being able to continue with the RO arrangement to 2017? In last week's press release, the Department of Energy and Climate Change said that up to 5.2 GW of onshore wind power could still qualify, but other estimates are much lower.

In her statement, the Secretary of State referred to 11.6 GW, putting us in the mid-range of fulfilling our 2020 targets for renewable energy. Does that include the 5.2 GW figure? If 5.2 GW is an overestimate, that presumably makes meeting our target less likely. Given that we found out last week that we have already missed our interim 2020 EU renewable targets, that is extremely concerning. What discussions has she had with the Secretary of State for Communities and Local Government about how many local or neighbourhood plans are required to identify areas suitable for wind energy? What additional costs may be incurred by councils from having to pre-empt planning applications to avoid a company challenging a decision? Out of interest and in the interests of a logical argument, why do these changes to planning policy not apply to all energy generation?

UK-wide energy policy has enabled all of us to share the risks and rewards of developing new and old forms of energy. While Scotland makes up just over 10% of UK households, over 30% of operational onshore wind projects are located in Scotland because of the amount of wind and the contribution of UK-wide bill payers, so it is understandable that Scotland will be worried about the impact on jobs and investment there. What will the Secretary of State do to give confidence to colleagues in the devolved institutions that there will be a genuine process of consultation?

Despite the Prime Minister's warm words on tackling climate change in this most important year of global negotiations, this Parliament has hardly begun, but the cheapest form of

renewable energy is already under attack and other renewable investors are worried that they will be next. I want our country to go forwards, not backwards. This debate is not about hot air; it is about jobs, manufacturing and investment opportunities at risk across the sector. In her answers today, the Secretary of State needs to convince us that she understands what is at stake.

**Amber Rudd:** I thank the right hon. Lady for her comments. May I first take the opportunity to remind her that this policy was well set out before she heard me on the "Today" programme? It was in the Queen's Speech, in the manifesto and the Prime Minister had referred to

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the fact that a Conservative Government would take this action. I have in no way been forced to come here. I chose to come here to make a statement after a number of colleagues wanted the opportunity to have their voice heard in support of what is happening. I am delighted to give them the opportunity to do so.

The right hon. Lady chose to question the Conservative party's commitment to addressing our climate change obligations. Fortunately, she gave me the opportunity to talk about that just 10 days or so ago, when one of the first Opposition-day debates of the Parliament was about climate change. I was able to tell her and the House about the Government's commitment to meeting the targets and the commitment of the Government and the Prime Minister to getting a deal in Paris this year. We are committed to ensuring that we deliver on our decarbonisation targets but, just as importantly, we are committed to getting a global deal. We do not want to do this alone. We need to provide leadership in the EU and internationally to ensure that our effort is truly leveraged so that we can get that result at the end of the year.

It is disappointing that the right hon. Lady chooses to throw confusion where none exists. I think I was very clear in my statement about the gigawatts involved and the range that we were targeting, but I repeat for her that we hoped to have 10% of electricity generation from wind by 2020, and we are reaching that target early. That is a key reason for ending the subsidy for onshore wind now. We wanted to fall in the middle of the range, and in fact it looks likely that we will be slightly towards the upper end. Having achieved that, it is right that we do not put further pressure on people's bills. Unlike her and the Labour party, we believe that we can do this in a cost-effective way. We are absolutely committed to supporting renewables, but we want to do it by the most low-cost pathway we can.

In answer to the right hon. Lady's question about regulation, and particularly planning permission for different sources of energy, it is right that different sources have different types of regulation and fall under different planning regimes. Part of what we are trying to do is to encourage new energy sources, in order to meet our targets and lead to cost reductions. That is why we have different set-ups for different sources—to get the best outcome for both our targets and bill payers.

Finally, the right hon. Lady asked me about Scotland. I have no doubt that I will be answering questions from Scottish National party Members, and I look forward to taking them and addressing them. I have had many conversations with the devolved Administrations, and I look forward to taking further questions from them.

**Stephen Phillips (Sleaford and North Hykeham) (Con):** May I welcome my right hon. Friend's statement and encourage her to ignore the hot air coming from the right hon. Member for Don Valley (Caroline Flint) and the Opposition on this subject?

I thank my right hon. Friend for all she is doing to prevent Lincolnshire from being carpeted with wind turbines, which nobody in my constituency wants. Will her Department be prepared to publish on its website a list of all the projects that her announcement will affect, so that people in Lincolnshire and across the country

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who do not want to see the countryside carpeted with turbines know whether individual projects are going ahead?

**Amber Rudd:** I thank my hon. and learned Friend for his question. I know that he has felt, representing his community, that there has been too much deployment in his area. I recognise the support that he has provided in helping us to develop our policy. Each developer will need to contact the Department for us to give a complete answer, and we will work with developers to ensure that it is clear which projects are within the provisions and which are not. At some stage—my hon. and learned Friend will have to give me a little time—that will be published on the website.

**Stewart Hosie (Dundee East) (SNP):** I thank the Secretary of State for her statement and for early sight of it.

The Secretary of State said that, six weeks into this Government's time in office, they were acting on this policy, and of course they are, but that does not make it right. She said that we were reaching the limits of what is affordable. We agree—we have reached the limits of what is affordable in the strike price and subsidy for nuclear. She said that we have reached the limits of what the public are prepared to accept. I think the public have already reached the limit on the failure to decarbonise and tackle climate change.

This decision is simply wrong, and the Secretary of State's answer to the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) was instructive. The Government are prepared to publish all the projects that are pulled; I hope the Secretary of State will also publish all the jobs that are lost and the investment forgone because of the decision.*[Interruption.]* I hear a lot of chuntering. I think we are getting to the truth now—Government Members simply do not like renewables. They would rather see the costs of nuclear decommissioning passed on to future generations.

We are concerned mainly about the damage that the decision will do. The announcement places at risk a huge investment pipeline conceived in good faith by developers under the rules previously in place. Is the Secretary of State aware that the decision has a disproportionate impact on Scotland, and that it puts investment at risk? She appears to be aware that around 70% of the onshore wind projects in the current planning system are in Scotland. On that basis, is she aware of what Niall Stuart, the chief executive of Scottish Renewables, has said? He said:

“Cutting support for onshore wind would be bad for jobs, bad for investment and would only hinder Scotland and the UK's efforts to meet binding climate change targets.”

Is the Secretary of State not concerned at all that, currently, £3 billion-worth of onshore wind projects in the pipeline in Scotland are at risk with so sudden a closing of the renewables obligation, that that will do incredible damage, and that it will put at risk investor confidence not simply in offshore wind, but in the wider UK energy sector?

I agree with the Secretary of State that the subsidy cost of renewables must decrease, so that both renewables and climate targets are achieved at the lowest cost and so that consumers are protected, but is she not concerned about the danger of a headlong rush to scrap subsidies

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for onshore wind, the cheapest large-scale renewable technology? Has she ignored comments from the industry, not least from Keith Anderson, the chief ScottishPower Renewables? He said:

“Onshore wind is clearly still the most cost effective large scale way of deploying renewable technology in the UK. Economically, you would therefore question, why in God's name would you want to bring that to a premature halt?”

**Mr Speaker:** Order. I feel confident that the hon. Gentleman is in his last sentence, and much nearer the end of it than the beginning.

**Stewart Hosie:** I am indeed, Mr Speaker.

The Secretary of State said last week that up to 5.2 GW of onshore wind capacity would be eligible for a grace period. We found out later that that figure was only 2.9 GW. Today, she

said that 7.1% would no longer be eligible for subsidy. Why did she not come clean last week with the proper figures?

**Amber Rudd:** I gently say to the hon. Gentleman that I believe he has failed to accept any of the points I have made about the Government's commitment to addressing climate change, our commitment to keeping the bills down and our commitment to delivering a variety of renewable energy sources. It is not just about onshore wind.

The hon. Gentleman also failed to acknowledge that, in some environments, there is too much pressure on communities in respect of onshore wind. I gently quote to him Fergus Ewing, the Minister for Business, Energy and Tourism. In 2007, he said: "Wind farms have...a very heavy environmental footprint"

and

"also...release...substantial quantities of methane from peat landscapes...many other forms of renewable energy are the future—not unconstrained wind farms".

I agree with him on that. We must recognise that, sometimes, when Members of Parliament choose to fight for their community, they take a different view from that of the national party. I am here representing the views of Members of Parliament as well as the national party. We believe that our policy addresses communities and keeps bills down.

**John Redwood (Wokingham) (Con):** Does the Secretary of State agree that, although this is a welcome measure, other things will be needed to control bills and tackle fuel poverty? Is it not interesting that only the Conservative party in the House cares about the consumer and wants to get the bills down?

**Amber Rudd:** My right hon. Friend is characteristically on the money. Addressing that is absolutely our aim. We are trying to reduce emissions and give a variety of renewable energy, and to ensure that individuals who look at their bills when they get home see that they continue to come down.

**Mr Ben Bradshaw (Exeter) (Lab):** How much investment and how many jobs will be lost to the economy of the south-west of England as a result of the Secretary of State's decision?  
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**Amber Rudd:** The investment in renewable energy over the past six years has been £7 billion a year. We are committed to ensuring that the UK is the leading country in developing renewable energy. We have been particularly successful in offshore wind—we have more offshore wind than the rest of the world put together and hope to become a serious exporter of it. Renewable energy is important for jobs and important for building on our commitments.

**Dr Sarah Wollaston (Totnes) (Con):** I welcome the Secretary of State's announcement and it is great to hear that we are on course to meet 30% of our electricity generation from renewables. She is right to divert the resources into less mature technologies, but can she reassure my constituents that that will not mean that we see a further expansion in very large-scale field solar across south Devon? Perhaps we will see more support for community energy schemes, and I hope that she will take me up on an offer to visit Totnes to see how those work in action.

**Amber Rudd:** I wholeheartedly agree with my hon. Friend and her constituents sound very similar to mine. We support the desire to make sure that we address the issue of climate change: the problem is that we do not want large-scale solar. In fact, large-scale solar has already been taken out of the renewables obligation, but we are trying to support solar so that we have as much as possible through community energy, on people's houses and on other buildings. There is a great opportunity there.

**Caroline Lucas (Brighton, Pavilion) (Green):** The IMF recently reported that Britain subsidises its fossil fuel industry to the tune of more than £1,000 per household, whereas onshore wind is just £10 a household. If the Secretary of State is serious about affordability and climate change, why is she not tackling fossil fuel subsidies, instead of slashing wind—one of the most popular and affordable of the energy sources?

**Amber Rudd:** I urge the hon. Lady to take a look at that report. I also saw those statements and found them so extraordinary that I asked for a copy of the IMF report. I would be happy

to have a discussion with her about it. It is not a direct subsidy in the way that we understand it, although it is an important point. It is right to reduce fossil fuel, especially in its dirtiest form, but the real danger is health and environmental impact, and that is why we need to get rid of the subsidies.

**Sir Alan Duncan (Rutland and Melton) (Con):** At the planning stage, a photomontage never really gives an accurate picture of the visual impact of turbines. Will the Secretary of State consider making it compulsory for applicants to fly a blimp in order better to show the real height of any proposed turbine?

**Amber Rudd:** That is a novel suggestion to me: I am not familiar with the workings of blimps. I look forward to further advice on the issue.

**Ian C. Lucas (Wrexham) (Lab):** Last Wednesday, tens of thousands of campaigners came to London to ask us to do more on climate change. What do we tell them now about the Government's priorities when they cut subsidies for renewables and increase them for fracking?

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**Amber Rudd:** I also met constituents and leaders of the march in my Department. I think we should tell them the truth, which is that the Government continue to be the greenest Government ever. We will deliver on our climate change targets, and we are committed to getting a deal in Paris. I urge the hon. Gentleman to stick to the truth.

**Mr Peter Lilley (Hitchin and Harpenden) (Con):** Now that my right hon. Friend is abolishing subsidies on the least uneconomic form of renewables, may we now assume that she proposes to make corresponding reductions in subsidies for offshore wind, which impose a two or three times greater burden on the cost of living, especially for poor households?

**Amber Rudd:** I am sorry to disappoint my right hon. Friend, but we will not reduce those. Now that we have a market-led system through the CfD, we are able to push for a reduction in prices—I know he will approve—and in the CfD auction last year that was very effective in getting the price down.

**Huw Irranca-Davies (Ogmore) (Lab):** May I suggest to the Secretary of State that it would be really helpful if she could publish as much information as possible on the risk analysis she has made of the decision to phase out the subsidy early? Some fear that as we are already behind on the interim targets for the 2020 renewables targets, and given the jeopardy that might put on our climate change obligations, we need to see how well the proposal has been tested, given the risk that some of the projects might fail and undercut it. There might also be a transfer to more expensive renewals should any projects fail. It would help my Committee and others if as much information as possible could be published, so that it can be properly examined.

**Amber Rudd:** I congratulate the hon. Gentleman on becoming the Chair of the Environmental Audit Committee. I look forward to getting to know him better. I am sure I will have the opportunity to do so at that Committee.

We do not agree that we have not met our targets. I understand that it was reported as such and I will take an early opportunity to write to him to set that out. I take to heart his advice to make sure we publish as much as possible, above all to win everybody's confidence that what I am saying is absolutely achievable.

**Mr David Jones (Clwyd West) (Con):** I congratulate my right hon. Friend on her statement, which I assure her will be widely welcomed across north Wales. Does she agree that onshore wind power has for too long been the low-hanging fruit of renewable energy and has therefore been grossly over-subsidised? Does she agree that her statement today opens the way for advancing more innovative forms of renewable technology, such as, for example, tidal lagoons?

**Amber Rudd:** I welcome my right hon. Friend's support. I agree that this should give us the opportunity to diversify into other forms of renewable energy—that is one of the key reasons for doing this. We do not want to continue to spend too much money on onshore wind, while we have to harbour our resources, look after the bill payer and make sure we have the greatest opportunity possible to support other forms of renewable energy.

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**Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP):** The strike price agreed for nuclear power is £92.50 per MWh at Hinkley Point, which is more expensive than the £82.50 per MWh for onshore renewables. Onshore renewables do not leave future generations with the cost of decommissioning nuclear facilities and waste. Why are the UK Government proceeding with such an irrational decision?

**Amber Rudd:** I thank the hon. Gentleman for the opportunity to make two points in response. First, our energy needs to be a mix. We cannot purely have renewable energy; we need the base-load stability of having nuclear or some oil and gas to make sure we can deliver regardless of whether the wind is blowing or the sun is shining. That is still an important part of our mix. Secondly, the decommissioning issue he raises is included in the price.

**Alan Mak (Havant) (Con):** May I join hon. Members from across the House in welcoming the Secretary of State's statement, which will certainly be popular in my south coast constituency? Does she welcome the £9.5 billion investment in offshore wind since 2010, showing that that area of the sector still has lots of room to grow?

**Amber Rudd:** My hon. Friend is absolutely right. Offshore wind has continued to deploy very successfully and prices are coming down. We are delighted that the UK is such a leader in this area and has the real prospect of exporting to other countries as a leader in renewable offshore energy.

**Barry Gardiner (Brent North) (Lab):** By ending support a year earlier than the right hon. Lady's Department promised only eight months ago, the Government are sending yet another message to investors that the UK is not a stable regulatory regime in this area. Does she accept the calculations that show onshore wind is not only the cheapest form of new low carbon energy, but that for every pound of development cost, 98 pence is spent creating new jobs in the UK—jobs that were projected to double to 37,000 by 2023 had that support continued?

**Amber Rudd:** The hon. Gentleman fails to incorporate the fact that all that support costs money. We cannot ignore the fact that, obviously, people want subsidies if they are on the receiving end of subsidies, but we have to ensure that we get the good measure of it. He is wrong to say that this Government said this and that Government said that. The fact is that we said, in our manifesto, that if we had a Conservative majority we would deliver this. The industry was not surprised by the outcome here: we committed to ending new subsidies for onshore wind and that is exactly the promise we have kept.

**Sir Edward Garnier (Harborough) (Con):** My right hon. Friend rightly mentioned our hon. Friend the Member for Daventry (Chris Heaton-Harris), my parliamentary neighbour. He and I have worked both individually and together to ensure the best interests of our respective constituents in relation to unsightly and unwelcome wind farms. Will she ensure, in discussions with the Secretary of State for Communities and Local Government, that there is imposed on future wind farms a minimum distance between the wind farm or the turbine, and human habitation—from dwellings?

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**Amber Rudd:** I know that my right hon. and learned Friend has been an active campaigner on this issue. As he will see, my right hon. Friend the Secretary of State for Communities and Local Government is present, and I am sure that my right hon. Friend has taken his comments to heart.

**Tom Brake (Carshalton and Wallington) (LD):** May I return the Secretary of State to the issue of job losses? Would she like to put on the record how many of the 19,000 people who are employed in the onshore industries will lose their jobs as a result of what she is proposing?

**Amber Rudd:** The right hon. Gentleman fails to acknowledge that the United Kingdom is one of the leaders in renewable energy. We continue to invest and to support a variety of renewable energy sources, and they will continue to provide jobs. It is up to the Government

to ensure that we spend the money wisely to maximise the delivery of renewable energy, and, of course, the delivery of new jobs as well.

**Kit Malthouse (North West Hampshire) (Con):** This news will be welcomed throughout North West Hampshire, not least because the Secretary of State has said—twice, I think—that the final say will be given to local communities. Can she reassure those worried communities that that means that they cannot now be overruled by the Planning Inspectorate?

**Amber Rudd:** Yes, I can.

**Mr David Hanson (Delyn) (Lab):** Investor confidence is key. On the day that this announcement was made, I was in north Wales for the opening of Gwynt y Môr, the second biggest wind farm in the world. All that the investors could see was a Government who were not committed to wind and renewable energy. Will the Secretary of State tell us, for the benefit of the onshore wind industry—including companies such as West Coast Energy, which is in my constituency—whether there will be a new round of contracts for difference, and, if so, whether onshore wind will feature in any part of it?

**Amber Rudd:** I said in my statement that, in respect of contracts for difference, we would be implementing the terms of our manifesto.

**James Cleverly (Braintree) (Con):** As it is local communities that will have to deal with the visual impact of wind farms, should they not have the final say on this and other visually intrusive forms of renewable energy, such as large solar farms?

**Amber Rudd:** My hon. Friend is exactly right. One of the key purposes of this arrangement is to involve local communities so that they feel that they have a right to say how their environment is being affected.

**Catherine West (Hornsey and Wood Green) (Lab):** Has the Secretary of State carried out an economic impact assessment to establish how the small business community and the supply chain will be affected by this abrupt and confused change in Government policy?

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**Amber Rudd:** One element of small business that will probably be pleased with the outcome is the tourist industry. Many Members campaigned against the expansion of wind farms on the basis that they affect tourism, which is important to many small businesses.

**David Mowat (Warrington South) (Con):** As the Secretary of State will know, since 2010 our country has increased renewable energy production by 300%, or a factor of three, and has increased it by more than any other OECD country. However, we must also make progress with other forms of decarbonisation. Is the Secretary of State still committed to the advancement of Hinkley Point C, which will produce more carbon-free electricity than all the wind farms that are currently being deployed?

**Amber Rudd:** The answer is yes. We need new nuclear energy in order to provide stability. We need to expand our renewables while at the same time having stable alternative sources of energy, and we are committed to Hinkley Point.

**Rachael Maskell (York Central) (Lab/Co-op):** Can the Secretary of State tell us how cutting subsidies for onshore wind energy is providing leadership in the EU on the decarbonisation of our economy, as she claimed in her statement?

**Amber Rudd:** Providing leadership in the EU—and, indeed, internationally—means meeting our targets, demonstrating that we can meet them in the most cost-effective way, and liaising with other countries in order to show them how we are doing that. The point of the announcement is that we will still be meeting our targets.

**Chris Heaton-Harris (Daventry) (Con):** Obviously I welcome the statement and thank the Secretary of State for it, but does she recognise that the way in which onshore wind subsidies and developers have gone about their business has destroyed people's faith in renewable energy as a whole? Indeed, in communities such as Winwick, Kelmarsh, Watford and Crick, which are in my constituency, one struggles to find people who support any type of renewable energy, given the way in which it has been handled by onshore wind developers.

Will the Secretary of State please tell us how many of the wind farms that are in the pipeline will be connected to the grid? That could provide relief for a host of communities that might be affected by onshore development in the future.

**Amber Rudd:** May I, again, pay tribute and homage to my hon. Friend, who campaigned so hard and led on this issue? I know his constituents will be delighted with this outcome, although I am disappointed to hear that the impact of wind farms has made them negative about renewables in general. I hope we can win them back by our policies that will increasingly involve them. I urge individual Members who want to know what the impact is on developments in their constituency to write to me and I will try to get that information.

**Paul Blomfield (Sheffield Central) (Lab):** The Secretary of State said that the Government's priority was "to bring about the transition to low-carbon generation as cost-effectively...as possible."

Does she not recognise that onshore wind is the most cost-effective renewable energy production form?

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**Amber Rudd:** I would make two points on that. I ask him to recognise that as part of our target to have affordable renewable energy we aim to have 10% coming from wind by 2020, and we are on schedule to deliver that. We have to harbour our resources. There would be no point in saying, "It has come down in price. Let's put all the money over there." That would be the wrong thing to do. We have to deliver a mix of renewable energy. Offshore wind is beginning to come down in price, we have plans for carbon capture and storage, and new initiatives are coming out the whole time. This is an exciting, changing area and we need to harbour our resources to make sure we can support the right outcomes.

**Heidi Allen (South Cambridgeshire) (Con):** I just want to tell my right hon. Friend that my constituents will be delighted. I am thinking of those in the north whose villages have been blighted by the Cotton wind farm—they cannot sleep and cannot sell their houses. In the south of my constituency, we have large solar farms coming at us left, right and centre. She will have made a lot of people very happy, so we thank her.

**Amber Rudd:** I thank my hon. Friend for her comments.

**Christian Matheson (City of Chester) (Lab):** Which would cause more environmental damage to the Cheshire countryside: a wind turbine or a fracking rig?

**Amber Rudd:** I am happy to say that a single wind turbine will still be allowed, if a community wants it. We are very keen to support community energy. As for shale exploration, we are at an early stage and we will have to wait to see how the community responds.

**Andrew Percy (Brigg and Goole) (Con):** Constituents on the north of the Isle of Axholme, who will shortly be surrounded by 100 turbines, will be very happy with this announcement. I welcome what my right hon. Friend has said, but I urge her to go further on individual turbine applications. Many landowners in my constituency put in one application and get approval, and then put in another and another, so it is death by 1,000 cuts.

**Amber Rudd:** My hon. Friend makes an interesting point and I will look out for that eventuality.

**Liz McInnes (Heywood and Middleton) (Lab):** The established wind farm on Scoutmoor, adjacent to my constituency, has a lifetime of only 25 years. What is the Secretary of State's long-term plan for renewable energy when existing wind farms have to be decommissioned?

**Amber Rudd:** The extraordinary thing about renewable energy is that it is such a fast-moving field. Nobody knows which will be the dominant renewable energy, able to supply cost-effectively, in 20 to 25 years' time—no, less, in 10 or 15 years' time. Perhaps we will have developed storage—perhaps carbon capture and storage will be coming on line. There are so many unknowns in this area, so I urge the hon. Lady to keep an open mind about different sources of renewable energy, just as this Department does.

**Byron Davies (Gower) (Con):** I thank the Secretary of State for a very clear statement and for her responses on communities and tourism. My constituency contains a

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mountain range known as Mynydd y Gwair, forming a backdrop to the first area of outstanding natural beauty. Planning permission for one of Wales's largest wind farms has been granted by Swansea's Labour city council, against the wishes of a clear majority of local residents and farmers. Does she agree that that cannot be right and that remedying such absurd decisions by allowing communities to decide these sorts of things is essential?

**Amber Rudd:** My hon. Friend's experience seems to validate the approach that we are taking, whereby local communities will have much more involvement and choice in those decisions.

**Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP):** Notwithstanding anything the Secretary of State has said this afternoon, the pipeline of projects in Scotland is now at risk, as are the jobs of 5,400 people employed in the sector. Will she look again at the impact these proposals will have on Scotland and the wider UK economy, and think again?

**Amber Rudd:** The hon. Lady must bear it in mind that this is a manifesto commitment. The UK has made the commitment—*[Interruption.]* I appreciate that she would like a different arrangement, but the arrangement that we have put in place will impact on subsidies throughout the UK. I am happy to listen to my Scottish counterparts on how different arrangements might be put in place within the changes that I have set out.

**Mr Speaker:** Order. Mr McDonald, for an aspiring statesman, frenetic gesticulation is a tad unseemly.

**John Howell (Henley) (Con):** I welcome the statement. As my right hon. Friend knows, I had a role in the development of neighbourhood plans at the very beginning. If local communities decide not to pursue wind turbines, will she reassure me that she will give precedence to those neighbourhood plans over anything else in the planning system?

**Amber Rudd:** I thank my hon. Friend for that comment. I know that he was the great man who developed the neighbourhood plan. He is absolutely right that the neighbourhood plans will be the central tome on this, and they will allow communities to have the authority that they need on the planning decisions that would be impacted in this situation.

**Steve McCabe (Birmingham, Selly Oak) (Lab):** Will the Secretary of State explain how she reconciles giving local people the right of veto over wind turbines, but denies them exactly the same right over shale gas fracking or a nuclear power station next door?

**Amber Rudd:** The hon. Gentleman will be aware that this right being given to communities was not in place when wind farms were originally introduced. We now have enough wind farms, and that right has been put in place. The same is the case for other sources of energy that do not need it now. It is right that we have a different approach for a different type of energy that is at a different level of maturity.

**David Morris (Morecambe and Lunesdale) (Con):** May I thank the Secretary of State for bringing forward this great decision? I pay homage to my hon. Friend the Member for Daventry (Chris Heaton-Harris), whose fight

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to get rid of these wind farms has been exemplary. Have there been any thoughts on decommissioning these wind farms over the next 15 years? Some have been up for 10 years now, and I would hazard a guess that that has probably cost more than many nuclear power stations.

**Amber Rudd:** My hon. Friend has raised an interesting point. It is in part of the proposals. We are aware of, and involved in, the decommissioning plans. No one quite knows when the decommissioning will take place, but we will keep a careful eye on it.

**Brendan O'Hara (Argyll and Bute) (SNP):** Given the Prime Minister's respect agenda, may I ask what cognisance, if any, the Minister took of the impact of her decision on Scotland, particularly on my constituency of Argyll and Bute? Is she aware of, and does she care about, the damage that this decision will have on the fragile rural economies of Scotland and the inevitable job losses that will follow?

**Amber Rudd:** I have had several discussions and meetings with Fergus Ewing, and I will continue to do so. Jobs in the UK are incredibly important. It is Britain that is open for business. We will continue to ensure that renewable investment flows.

**Robert Jenrick (Newark) (Con):** May I thank my right hon. Friend for her statement? I thank, too, the previous Secretary of State for Communities and Local Government, my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles), who fought an incredible rearguard action, calling in such applications that would have blighted the view of Southwell Minster for generations to come. If communities are to have their say, to keep it simple, would the Secretary of State encourage and support Rushcliffe Borough Council, which wants to declare itself a wind turbine-free council and protect the vale of Belvoir for ever?

**Amber Rudd:** I thank my hon. Friend for his interesting suggestion. Councils will have the final say. If that is how they put it, that is up to them.

**Andrew Gwynne (Denton and Reddish) (Lab):** Is the Secretary of State not a little bit concerned about the impact on investor confidence that this decision might have not just with regard to onshore wind but across the renewables sector? Given that onshore wind and its supply chain accounts for £1.7 billion of gross value added, how does she anticipate filling that gap in investment?

**Amber Rudd:** Investors will have seen the manifesto and will have heard the words of the Prime Minister last year when he said that, under a Conservative Government, there will be no onshore wind subsidies. They will have known that our target was 11 GW to 13 GW by 2020, and they are likely to have known that wind was deploying faster and more effectively than people had thought, partly because it was on the receiving end of those subsidies. Continuing to get investment in renewables and ensuring that Britain is open for business and remains at the front of delivering renewable energy will continue under this Government.

**Chris Davies (Brecon and Radnorshire) (Con):** May I take the rare step of agreeing with the right hon. Member for Don Valley (Caroline Flint)? She said that Back Benchers would be pleased with this statement, and I

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assure her that I am absolutely delighted with it, but most importantly, so will be the vast majority of my constituents and those across mid-Wales and further afield. What estimate has the Secretary of State made of the amount of money that scrapping the renewables obligation will save this country?

**Amber Rudd:** I am delighted to make my hon. Friend and his constituents happy. Closing the renewables obligation one year early is likely to save hundreds of millions of pounds.

**Mark Durkan (Foyle) (SDLP):** The Secretary of State has not said whether she has been apprised of any particular implications in the context of Northern Ireland, not least in the setting there of a single electricity market for the island. She has promised consultation and says that she wants consultation with the devolved Administrations, industry and stakeholders, but given her certitude, how might that consultation have any influence on her position?

**Amber Rudd:** I have had meetings and conversations with my opposite number in Northern Ireland. I will continue to do so and I respect the views of those involved, which differ from ours on what we are trying to implement. I have been working with them to see whether it is possible for Northern Ireland to implement and fund the subsidy.

**Mark Spencer (Sherwood) (Con):** The Secretary of State will be aware that the cost of an application can be vast, including seeking approval from national air traffic control systems. When such applications meet ferocious local community opposition, is there any way in which she can assist applicants to withdraw the application? They often press on with the application to try to recover the cost of gaining air traffic control approval as well as other environmental assessments.

**Amber Rudd:** I do not think that there would be a role for Government in that. Having heard the announcement today, however, developers might take a different view.

**Chris Law (Dundee West) (SNP):** Given the consultations and discussions with the Scottish Energy Minister that the Secretary of State has outlined, what have the Scottish

Government been advised will be the impact of the proposals on Scotland's target of generating the equivalent of 100% of electricity consumption from renewable sources by 2020?

**Amber Rudd:** I am happy to say that this change to the subsidy regime will not impact on the UK target. I have had no further discussion with my Scottish counterpart on the Scottish Government's target.

**Glyn Davies (Montgomeryshire) (Con):** Large numbers of my constituents in Montgomeryshire will welcome today's statement with huge relief. Mid-Wales has been saved from desecration. Will my right hon. Friend confirm that onshore wind subsidies will not apply to any proposed wind farm that does not currently have planning permission?

**Amber Rudd:** As set out in my statement, the onshore wind subsidy grace period is available only to wind farms and wind farm applications that have planning consent, a grid connection and land rights.

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**Debbie Abrahams (Oldham East and Saddleworth) (Lab):** I, too, had several constituents come to see me for the climate change lobby last week and the Secretary of State's statement will leave them at a loss. Will she respond to the CBI's comment that "cutting the Renewables Obligation scheme early sends a worrying signal about the stability of the UK's energy"

market?

**Amber Rudd:** I would say to the CBI, which I will be meeting and with which I am sure I will discuss this issue among other things, that this is a stable environment for renewable investment, as we have set out the ranges and targets we would like to achieve and we are meeting them. This Government are the first to have set out a levy control framework so that investors can see exactly how much money we are committing. It is partly because we as a Government are determined to look after money so carefully that we are making this change to ensure that we stay well within the levy control framework.

**Several hon. Members** *rose—*

**Mr Speaker:** Order. If I am to accommodate remaining colleagues in the exchanges on the statement, brevity is now of the essence.

**Nigel Adams (Selby and Ainsty) (Con):** A former Secretary of State, who went on to become Leader of the Opposition, once said that to object to onshore wind farms was akin to antisocial behaviour. Thank goodness we now have a Secretary of State who listens to constituents in rural areas like mine. Inevitably, councils will be challenged at appeal by highly paid barristers. What assistance will the Department give to small councils, so that they can fully understand the new powers that they have been granted?

**Amber Rudd:** I say to my hon. Friend, who has done so much to campaign against wind farms in his constituency, that the statement is very clear. If his councils want any further clarification, they should write to me and I will make sure they get a clear response.

**Helen Goodman (Bishop Auckland) (Lab):** Last week, in his encyclical on climate change, the Pope said,

"continuity is essential...policies related to climate change...cannot be altered with every change of government."

With him, I would like to ask the Secretary of State this question: what would induce anyone at this stage to hold on to power, only to be remembered for their inability to take action when it is urgent and necessary to do so?

**Amber Rudd:** I urge the hon. Lady, when she has the chance to talk further with Pope, to let him know that we will meet our commitments, and today's announcement is part of our plan to make sure that we do so. There is no change to this Government's, this Department's and this Prime Minister's commitment to addressing dangerous climate change.

**Victoria Atkins (Louth and Horncastle) (Con):** I welcome today's statement, as will many residents of my constituency, which has borne more than its fair share of the brunt of the wind turbine industry. Will the Secretary of State

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consider a “two strikes and you’re out” policy for developers who keep coming back again and again and tweaking their applications, costing local councils hundreds of thousands of pounds in legal fees and causing prolonged distress for local residents?

**Amber Rudd:** I think my hon. Friend, who makes a good point, will find that under the new regime as announced today and last week, the community have the final say, and councils will be in a much stronger position to make that clear to any developers that approach them.

**Alan Brown (Kilmarnock and Loudoun) (SNP):** Is the Minister aware that another of the “best of both worlds” offers to the Scottish electorate was the onshore subsidies? Given the effect of the proposals on investment in Scotland, that is a challenge, as pulling investment was not part of her party’s manifesto. Does the Minister agree with me that this announcement is the equivalent of another broken promise to the Scottish electorate?

**Amber Rudd:** I do not agree with the hon. Gentleman. Having Britain open for business is incredibly important. Scotland has a lot of wind farms and has received a lot of investment. I am sure that with this Government in charge, investment will continue to flow to Scotland in all sorts of ways.

**Mr Peter Bone (Wellingborough) (Con):** My constituents will be delighted that we now have a Conservative Government, as under a coalition Government we would never have had this statement or this excellent Secretary of State at the Dispatch Box. I have it clear in my mind, but can my right hon. Friend confirm that if the Borough Council of Wellingborough turns down a planning application for a wind farm, its decision cannot be overturned by the Planning Inspectorate?

**Amber Rudd:** Yes, I can confirm that.

**Grahame M. Morris (Easington) (Lab):** Labour Members are rightly concerned about job losses and job insecurity, and that is not restricted to onshore. Given that the doubling of carbon tax by this Government on 1 April is likely to be the final nail in the coffin of the coal mining industry—almost 1,000 jobs at Hatfield—does the Minister recognise the need for a long-term plan to identify a diverse energy mix in the interests of the nation?

**Amber Rudd:** I share the hon. Gentleman’s view on the need for a diverse energy mix. We want to support renewables to make sure that we meet our renewable targets and encourage diverse forms of renewable energy, but we also need certain other types of energy to ensure we have the base-load available at all times of the day.

**Mr David Nuttall (Bury North) (Con):** The Scout Moor wind farm, to which the hon. Member for Heywood and Middleton (Liz McInnes) referred, dominates the skyline for thousands of my constituents. An application to extend it even further has been submitted, but not determined. Can the Secretary of State confirm whether the extension will attract subsidy?

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**Amber Rudd:** Will my hon. Friend be kind enough to write to me about that example? I will make sure that he gets a reply.

**Diana Johnson (Kingston upon Hull North) (Lab):** We worked very hard in Hull to bring Siemens to the city to develop the offshore renewables industry. Does the Minister understand how the current approach, and the previous approach in relation to solar, are not at all helpful to long-term investment in renewables?

**Amber Rudd:** I am slightly amazed that the hon. Lady chooses to approach the matter in that way. It is a great success of the previous Government that we now have the Siemens plant in Hull, and we support that, the employment it offers and the export potential that we hope will develop there. We are encouraged by the fact that there is more investment coming into offshore wind and we will continue to support it.

**Richard Graham (Gloucester) (Con):** In the mix of renewable energy, tidal energy has huge potential, popular support, leisure sector spin-offs, innovative technology and export

potential. Does my right hon. Friend agree that the direct and indirect potential for job growth from tidal energy will be hugely greater than any job losses from her announcement today?

**Amber Rudd:** I certainly agree that tidal and marine energy is an exciting part of a future energy mix. As my hon. Friend is aware, we are continuing to do our due diligence on various tidal projects.

**Peter Grant (Glenrothes) (SNP):** I associate myself with some of the comments of the hon. Member for Gloucester (Richard Graham). The Secretary of State will be aware that the position of the Scottish Government is that technology such as tidal power and wave power, which were prevented from being properly developed by a former Conservative Government, are where the long-term future of our energy lies. Can she therefore confirm that the entire value of the subsidy that is going to be clawed back from wind farms will be reinvested in the accelerated development of these long-term permanent technologies, or are we simply seeing a repeat of what her party did to Scotland in the 1980s, when a flourishing and potentially world-leading renewables energy sector was deliberately sacrificed to get it out of the way of the nuclear power lobby?

**Amber Rudd:** I am afraid the hon. Gentleman has not quite understood the proposal, which is that the onshore wind subsidy will not go ahead after March 2016. That is not money that is being clawed back; that is money that is additionally not being added to people's bills. On another matter, I agree with him that we would like more success in the whole marine energy area, and it is

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partly because we want to make sure that we have sufficient support available for other technologies, such as marine and tidal wave, that we have to make this choice.

**Mr Philip Hollobone (Kettering) (Con):** In response to an earlier question, my right hon. Friend the Secretary of State said that the subsidy regime for large-scale solar farms was also going to be cut. What is there to stop an applicant for a large-scale solar farm parcelling up that application into four or five separate applications, thus qualifying as a small-scale unit?

**Amber Rudd:** My hon. Friend makes a very good point. He is right that we have ended the large-scale solar farm issue in terms of applications for the renewables obligation, but I have concerns about exactly the possibility that he has raised, and I will address it in the feed-in tariff review that I will be conducting this summer.

**Jason McCartney (Colne Valley) (Con):** The Huddersfield Civic Society, the Royal Society for the Protection of Birds, Natural England, National Trust, local artist Ashley Jackson and the Campaign to Protect Rural England have major concerns and are opposing a huge wind farm development high up on moorland in my constituency. Will the Secretary of State confirm that local people will have the final say on this major development?

**Amber Rudd:** I thank my hon. Friend for that list of supporters and I can indeed give him that confirmation.

**John Glen (Salisbury) (Con):** In south Wiltshire the primary concern is about large-scale solar farm applications. Can the Secretary of State outline the implications of today's announcement for residents of Downton who came to see me about this recently?

**Amber Rudd:** I refer my hon. Friend to the answer I gave earlier. We will be looking again at how solar farms get access as part of the feed-in tariff review. They are no longer eligible to access under the renewable obligations.

**Tom Pursglove (Corby) (Con):** I refer Members to my declaration of interests. I welcome the announcement. On Friday my constituent, Peter Stephens, asked whether the forthcoming international deliberations on climate change would have the effect of unpicking the changes that the Secretary of State set out today. Perhaps she could clarify that.

**Amber Rudd:** I am happy to reassure my hon. Friend and his constituent that we remain committed to our targets under the Climate Change Act 2008. We remain committed to being the greenest Government ever and to making sure that we are the No. 1 place for renewable energy investment.

