

Onshore Wind – Early Closure of Renewables Obligation

Overview

The Government has committed to ending new public subsidies for onshore wind. On 18 June 2015, the Government announced proposals to close the Renewables Obligation (RO) to new onshore wind in Great Britain on 31 March 2016 and Ministers intend to re-introduce provisions into the Energy Bill to implement these measures.

Policy Rationale

The Government is committed to combatting climate change, but doing so in the most cost-effective way for bill payers. Government support is designed to help technologies stand on their own two feet, not to encourage reliance on subsidies. Onshore wind has deployed successfully to date, and we have enough onshore wind in the pipeline to meet our 2020 aim of 30% of electricity generation from renewable sources.

Provisions in the Energy Bill

The Government will re-introduce provisions for the early closure of the RO for new onshore wind in Great Britain from 1 April 2016 – a year earlier than previously planned.

To protect investor confidence associated grace period provisions have been proposed which will be re-introduced alongside the RO closure provisions. The grace period provisions are designed to give access to support under the RO to those projects which, as of 18 June 2015, already had:

- relevant **planning consents**;
- a **grid connection** offer and acceptance of that offer, or confirmation that no grid connection is required; and
- access to **land rights**.

Projects that qualify for the proposed early closure grace period will be able to accredit under the RO up to 31 March 2017, the original RO closure date. Such projects will be able to accredit by 31 March 2018 under one of the existing grace periods for projects affected by a grid or aviation delay provided they also satisfy the eligibility criteria for at least one of those grace periods.