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I don't like renewables

By Walt Patterson

I don't like renewable energy. I've disliked it for more than twenty years. Don't misunderstand me; I like the concept and the technologies. I just don't like the label. 'Renewable energy' seems to me at best meaningless, at worst actively misleading. What do you mean, 'renewable'? Back in the late 1970s I was one of a small handful of dissenters trying to get policy people to use the label 'ambient energy' to refer to processes and technologies - photovoltaics, wind, biomass - that collected and converted sunlight in its various forms for human use. I still prefer 'ambient energy'. But 'renewable energy' won, for reasons I remain unable to fathom.

Be that as it may, I like the concept fine. After a long period of deep skepticism about the prospects for (ugh) renewable energy, lasting until the early 1990s, I found the 1100-page UN Blue Book, *Renewable Energy: Sources for Fuels and Electricity* (Earthscan 1994), by Robert Williams and his equally authoritative colleagues, irresistibly persuasive. At long last Europe's legislators appear to be coming to the same conclusion. The passage of Germany's new Renewable Energy Law on 25 February this year may mark a definitive step over the threshold to official acceptance of renewable energy as an increasingly significant part of human society's energy systems.

The detailed content of the German law is imaginative and coherent, with an explicit longer-term strategy clearly discernible. The aim is to double the share of renewable energy in German electricity generation - currently just under 6 per cent - by 2010, and increase it to 30 per cent by 2030. The Federal German government coalition of Social Democrats and Greens have identified renewable energy as an essential component of policy to fulfil commitments under the Kyoto Protocol, to reduce emissions of greenhouse gases. They also consider the various renewable energy technologies as a potentially major industry both within Germany and for export, promising many thousands of new jobs.

A successor to the 'Electricity Feed-in Law' of 1990, the new law builds on the experience gained while rectifying some of the shortcomings of the earlier law. The new law sets out a schedule of specific fixed prices to be paid for different types of renewable generation in different parts of the country, based on actual costs of generation. It also timetables steady decreases in these prices, and provides for regular reviews. The burden of the premium prices is shared across the country and the electricity sector, including users. Costs and protocols, for instance for grid connection, are to be explicit and transparent.

The law balances different interests in a way that has won widespread acceptance and acclaim, give or take the inevitable outcry from some bastions of tradition. Predictable complaints about subsidies have to be set against long-standing German government support for traditional energy, especially the coal industry. Controversy will undoubtedly continue; but the new law extends the support regime also to investment in renewable generation by German's major electricity companies and those owned

by the Federal state and the Laender, which may persuade them that it is ultimately in their interest too.

The UK government, meanwhile, is likewise updating its support for renewables. It has already announced that renewables are to be exempt from the new Climate Change Levy. The Utilities Bill, now in convoluted and erratic progress through Parliament, proposes to replace the Non-Fossil Fuel Obligation (NFFO) by a renewables portfolio standard, requiring electricity suppliers to include a defined minimum of renewable energy in the electricity they supply, the proportion gradually increasing - 5 per cent by 2003, 10 per cent by 2010. Renewable energy generators will receive 'green certificates' attesting the status of their output. These certificates will themselves be tradeable; suppliers can either contract directly for renewable electricity, or purchase green certificates from others willing to sell their surplus. Suppliers must hold the requisite proportion of green certificates, or pay a penalty.

To date, however, these proposed measures have not received the sort of near-unanimous acclaim accorded the German law. UK renewables people point out that the size of the penalty - the 'buy-out price' - will be critical. If it is too low, suppliers may simply opt to pay the penalty rather than bothering to contract for electricity from renewable generators. Moreover the support mechanisms envisaged continue to emphasize the lowest-cost renewables, leaving offshore wind and energy crops at a serious disadvantage despite their longer-term potential. Nevertheless, although UK policy on renewables remains inconsistent and fuzzy, it is receiving an encouraging amount of official attention. The results could yet be substantial.

Other European Union governments are also reinforcing their commitments to an expanded role for renewables. The Netherlands, Denmark, Italy and Belgium, for instance, are all launching schemes for tradeable green certificates for electricity from renewables. The Netherlands are relying on voluntary participation by users keen to be green; Denmark, Italy and Belgium are proposing specific obligations.

How all these policies will work out in practice of course remains to be seen. However, the very fact that so many governments are now introducing practical support measures, with significant finances attached, indicates that renewable energy may at last be ready to fulfil the promises its advocates have been making for so long. But I still think they should call it ambient energy.

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