The British are ramping up their efforts on renewable energy. The <u>NY Times</u> reported a few days ago that the new plan will "gradually quadruple the charges levied on consumers and businesses to help support electricity generation from low-carbon sources, to a total of about £9.8 billion, or \$15.7 billion, in the 2020-21 fiscal year, from £2.35 billion now." In a Britain's version of parliamentary government, there is normally little gap between decisions by the ruling party (or in this case parties) and the passage of legislation. That great American safeguard against majority rule — the filibuster- has somehow failed to find a place in British practice.

The government forecasts important benefits from the new plan:

The government proposal "will allow us to meet our legally binding carbon reduction and renewable energy obligations and bring on the investment required to keep the lights on and bills affordable for consumers," Edward Davey, the energy and climate change secretary, said in a statement.

Mr. Davey added that the proportion of electricity coming from renewable sources would increase to 30 percent by 2020, from 11 percent today.

Aspects of the proposal have come under fire from environmentalists. In particular, environmentalists are unhappy that the government has decided that nuclear power is critical to the plan to reduce emissions by 80% in 2050. According to <u>Bloomberg</u>, the package represents a compromise within the ruling coalition. "[Energy Secretary] Davey for weeks has been negotiating over the package with Chancellor of the Exchequer George Osborne, who favors more natural gas and nuclear energy and is concerned about the cost and countryside impact of deploying more wind turbines." Environmentalists have also been critical because the legislation postpones a decision on emissions cuts for utilities until after the next election — another compromise between the Conservatives and the Liberal Democrats.

The plan also provides price guarantees for renewable generators. "Those contracts for difference guarantee a price for power in a way that supports generators. If wholesale power prices drop below a government-established level known as the 'strike price,' investors in nuclear power stations and renewable projects will be compensated by suppliers up to that level. If prices are higher, suppliers and consumers will be reimbursed by investors."

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