

NEWS RELEASE
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Renewable Energy – Essential Defence against Rising Prices

“Renewable energy is not some magic silver bullet that can slay the vampire of rising energy prices but it is an essential element in addressing security of supply issues,” said John Westwood, Chairman of energy business analysts Douglas-Westwood. Addressing delegates at The World Petroleum Congress in Madrid, Spain today, he stated that, “energy security involves nations adopting a portfolio of energy sources, oil, gas, coal, nuclear and renewables, as despite what some would have us believe, no individual source offers the answer. As all of us know, it is very foolish to bet your pension on one investment.”

Questioned about his company’s work regarding UK renewables policy, Mr Westwood said, “UK renewable electricity generation targets are based around three key areas; biomass, onshore wind and offshore wind. Our study suggests a 7.6 GW gap between the RAB’s 2020 aim of 38.5 GW and the 30.9 GW independently forecast by Douglas-Westwood. The potential shortfall is almost entirely due to constraints impacting on the development of offshore wind.

“Notwithstanding the issues around grid and planning, which we understand are to be addressed in the Government’s Renewable Energy Strategy, if the UK takes positive action as recommended in this report to address supply chain constraints, then the RAB central estimate scenario target, although challenging, can be achieved.

“The expected new capacity that will be installed will have significant economic impact and offers considerable supply chain development opportunities for the UK. In key sectors such as onshore and offshore wind, supply chain constraints at an international level present industry with opportunities for new market entry and diversification.”

Turning to jobs, he added, “The Douglas-Westwood forecast, as stated recently by Prime Minister Gordon Brown, is that 122-133,000 jobs will be needed to manufacture, construct and operate the installations associated with the RAB 2020 aim.”

Information for Editors

In light of the UK’s EU-led renewable energy target for 2020, the UK’s department of Business, Enterprise and Regulatory Reform (BERR), wished to understand the supply chain’s capability of meeting the target for renewable electricity generation. To better understand the constraints, Douglas-Westwood were commissioned to quantify likely market growth between 2008 and 2020 and to determine both the present status of the supply chain and how it will grow towards supplying the future demand that the EU target represents.

The study analyses constraints on expansion of the current supply chain, including components, materials, skills and installation capacity. It also goes on to provide an overview of employment and economic benefit from renewable energy and how this could increase by 2020. This study makes reference to other potential barriers to renewables deployment, e.g. grid and planning, however, it does not make recommendations as Douglas-Westwood understands that Government are already addressing these.

Douglas-Westwood Limited carries out business research, market modelling and analysis work for the international energy industries. Formed in 1990, the firm has completed over 520 assignments for the energy majors and their contractors, governments and investment firms worldwide.

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