

## Conrad Purcell, Shu Shu Wong in Energy Voice: ‘Key Trends in UK Renewables and What to Expect in 2023’

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December 29, 2022 Conrad Purcell, Shu Shu Wong

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**PRACTICES** Energy, Power and Natural Resources, Energy Finance, Energy Regulatory, Energy Transition, Renewable Energy

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Haynes Boone Partner [Conrad Purcell](#) and Associate [Shu Shu Wong](#) authored an article in *Energy Voice* reviewing issues affecting the UK renewables sector in 2023.

Below is an excerpt:

All aspects of renewable electricity generation in the UK are currently affected by policy uncertainty. The UK government’s stated policy goals are to decarbonise electricity generation through increased deployment of offshore wind, carbon capture utilisation and storage, hydrogen and nuclear.

### **The current renewables landscape**

2022 has been a tumultuous year for the energy sector and, though renewable energy sources are of greater importance than ever, the market remains unstable.

The volatility of hydrocarbon prices, driven by geopolitical shocks, has in turn caused a sharp increase in electricity prices and a regulatory response in the form of new taxes on oil and gas companies’ profits, as well as a new tax on the revenues (above a threshold of £75/MWh) of [some renewable electricity generators](#).

The rationale for taxing renewable electricity generators is that they are unduly profiting from much higher revenues from the electricity they are selling whilst not incurring any additional fuel costs in the case of wind and solar power.

The government initially sought to persuade renewable generators to switch to fixed price contracts for difference (CfDs) to bring electricity prices down but were unsuccessful in doing so. It is noteworthy that the new tax on renewable electricity generators can be avoided by generators who agree to a CfD in future.

The UK government also recently announced that it would support nuclear power generation by investing £700mn in the Sizewell C nuclear power station, which is being developed by EDF but will now be 50% owned state owned by the UK government. This marks a significant change of policy and is the first such direct government investment in nuclear since 1987.

Onshore wind might also have a future in the UK as, after widespread opposition to Rishi Sunak's reversal of the measures to revive onshore wind announced under Liz Truss's tenure, the Department for Levelling Up, Housing and Communities has now confirmed a consultation looking at how – with support from local communities – construction of onshore wind facilities might begin once more.

To read the full article, click [here](#).

This article was first published in *Energy Voice*.