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UK'S INVESTMENT ENVIRONMENT FOR RENEWABLE ELECTRICITY IS NOT AS GOOD AS THAT OF OTHER MAJOR EU COUNTRIES

The UK may have difficulty attracting sufficient investment in renewable energy to meet its EU targets due to increased investment risks in the country compared to other EU member states.

LONDON, UK, October 13, 2008 **/24-7PressRelease/** -- According to new research, The European Renewable Electricity Sector 2008: A Country Comparison of Risks and Opportunities, published by London Research International (LRI), the UK government is lagging behind other EU countries in providing a positive environment for investing in renewable electricity - despite a clear indication of failure to fulfil its commitment of attaining 10 per cent of electricity consumption from renewable energy sources by 2010.

LRI has developed a series of indices that provide a detailed rating of all of the key areas related to investing in the renewable electricity sectors of 15 EU member states. The research is unique in its use of multiple measures to develop five indices, which accurately and numerically evaluate the risks and opportunities of each member state's renewable electricity sector. A sixth non-numeric index provides an analysis of the emerging and established technologies that are currently adequately supported through government incentives or have the potential for growth. The opportunity indices measure government incentives and power market demand and also review established/emerging technologies in the sector. The risk indices measure political will, grid connection problems and planning permission challenges.

While the UK has a relatively high power market opportunities index, its risk indices are also high in comparison to other large EU member states. The UK's incentive opportunities index is low due to its use of the tradable green certificate (TGC) incentive system called the Renewables Obligation. The European Commission has suggested that countries that have opted for the feed-in tariff (FIT) have been more effective at increasing renewable electricity generation than other schemes, including the TGC.

Planning permission is a notable problem. The UK has a high-risk index for planning permission. This implies that, while the potential exists for renewable energy development, the UK government has been slow in providing an environment suitable for the required investment by failing to improve the planning permission process. The UK's political will risk index is also higher than that of the other large EU states of France, Germany and Spain. On the whole, the UK's renewable energy development programme seems to lack the coherence evident in other large EU member states.

About London Research International

London Research International Ltd (LRI) is a rapidly growing provider of international research, consulting and marketing services. Clients include major international companies, research institutions and government offices. The European Renewable Electricity Sector 2008: A Country Comparison of Risks and Opportunities is the first in a series of four energy-related research projects that LRI is planning to undertake. It is planned to update this publication on an annual basis in order to provide a benchmark against which to measure the progress of the EU member states in achieving their commitments to increase the share of renewable electricity to their total consumption for use by government departments, opinion leaders, educational institutions and environmental groups. The research can also be used as a guide by institutional investors to identify investment opportunities and assess the level of risk and attractiveness associated in this sector across the EU.