# Ed Miliband’s green ambitions falter as Hornsea 4 cancellation exposes UK offshore wind crisis



Ed Miliband's ambitious vision for a green-powered Britain is facing unprecedented challenges, catalysed by the abrupt cancellation of the Hornsea 4 offshore wind project. This decisive move by Ørsted, the Danish energy giant responsible for the project, has been attributed to surging operational costs and a tightening economic landscape. The immediate consequences of this decision jeopardise Miliband’s “Clean Power 2030” pledge, which aimed to significantly ramp up the UK’s offshore wind capacity to 43GW by the end of the decade. Now, with Hornsea 4 shelved, the UK confronts a daunting shortfall of 14.4GW, necessitating the installation of approximately 3,000 turbines within a mere five-year timeframe—an undertaking previously deemed unfeasible.

The ramifications extend beyond domestic constraints, reflecting the wider geopolitical climate. The ripple effects of Donald Trump's rollback of green energy initiatives in the United States have exacerbated uncertainties in the renewable sector. Political factors combined with economic pressures, including increasing supply costs and inflation, have fostered a formidable environment for project viability. Ørsted’s decision marks a significant setback not only for Miliband’s green agenda but also for the UK’s broader clean energy objectives.

A recent Merlin Strategy poll underscores a growing public sentiment that may exacerbate the climate agenda's viability. In a survey of 3,000 individuals, an overwhelming 59% stated that prioritising the cost of living must take precedence over lofty net-zero ambitions. The poll results signal a worrying trend for Labour; across the political spectrum, voters—61% of Labour, 70% of Conservative, and 65% of Reform supporters—indicate a clear preference for immediate economic relief over environmental considerations. This division mirrors the increasingly polarised nature of the net-zero debate, reminiscent of past contentious issues like Brexit, suggesting that Labour faces a strategic conundrum: persisting with its green policies risks alienating economically pressed voters, while retreating could lead to accusations of abandoning critical climate commitments.

The industry response has been discouraging but not entirely devoid of optimism. Ørsted's shares tumbled nearly 10%, reflecting the immediate impact on investor confidence. The company envisions potential for revisiting the project when conditions improve, although that may hinge heavily on governmental support and broader economic stability. In an attempt to bolster the renewable energy landscape, the UK government has increased its funding for offshore wind projects, expanding the 'Clean Industry Bonus' scheme from £200 million to £544 million. This initiative is designed to stimulate investment and drive forward a clean energy transition, signalling ongoing governmental commitment despite recent setbacks.

However, industry experts warn that the proposed plans may not fill the void left by Hornsea 4 due to inevitable delays and rising costs. The consensus among insiders like Dr. Lawrence Newport posits that voters remain committed to clean energy but disenfranchised by a perceived disconnect between lofty environmental goals and escalating living costs. Additionally, former Conservative Energy Secretary Claire Coutinho has dismissed Miliband’s Clean Power 2030 target as unrealistic, arguing that it unfairly burdens consumers with rising prices amidst economic distress.

This evolving landscape for renewable energy in the UK reflects colossal challenges, numerous uncertainties, and a public increasingly fatigued by the rhetoric of the climate debate. With crucial project cancellations disrupting ambitious targets, both policymakers and industry leaders must navigate a complex terrain, balancing immediate economic concerns with long-term sustainability goals. Only time will tell how this delicate balance can be achieved, and whether Britain can still pave the way to a greener future amidst the pressures of today's economic realities.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5, 6, 7.
2. Paragraphs 1, 2.
3. Paragraphs 4, 5.
4. Paragraphs 2, 5.
5. Paragraph 4.
6. Paragraph 4.
7. Paragraph 4.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.express.co.uk/news/politics/2053097/ed-miliband-net-zero> - Please view link - unable to able to access data
2. <https://www.ft.com/content/7015e906-6415-4c35-a992-88f5f3e60e07> - Ørsted, the world's largest offshore wind developer, has halted work on its Hornsea 4 project in the UK due to rising costs and risks, posing a setback to Britain's clean energy goals. The 2.4 GW project in the North Sea was intended to power over a million homes and had secured a UK government contract for a fixed electricity price. However, Ørsted cited macroeconomic challenges, supply chain issues, and increased operational risks as reasons for suspending spending and terminating supplier contracts, leading to projected losses of £399 million to £513 million this year. Chief Executive Rasmus Errboe noted that the company retains the development rights and may revisit the project under more favorable conditions. The decision reflects wider industry struggles, including a similar move by Vattenfall in 2023, and underscores growing concern over inadequate government support amid inflation and logistical constraints. The UK government, aiming to triple offshore wind capacity by 2030, stated its intention to collaborate with Ørsted to revive the project and affirmed its commitment to expanding clean energy infrastructure.
3. <https://www.reuters.com/sustainability/climate-energy/britain-increases-wind-farm-incentives-funding-720-million-2025-05-09/> - Britain has significantly increased its funding for offshore wind projects, expanding the 'Clean Industry Bonus' scheme from £200 million to £544 million ($721.78 million), in response to heightened investor interest. This move aims to bolster the nation's clean energy plan, which targets increasing offshore wind capacity from the current 15 GW to between 43-50 GW by 2030. The incentives come at a critical time, following the cancellation of Ørsted's Hornsea 4 project due to economic pressures from rising construction costs. The enhanced funding will support projects in the next renewable subsidy auction later this year, offering £27 million per gigawatt of capacity. The scheme favors developers investing in underserved regions and greener supply chains, including traditional oil and gas communities and ex-industrial areas. According to Ana Musat from RenewableUK, the funding could stimulate substantial private investment in domestic manufacturing for the offshore wind industry.
4. <https://www.reuters.com/sustainability/climate-energy/offshore-wind-developer-orsted-q1-beats-forecasts-2025-05-07/> - Danish renewable energy company Orsted announced the cancellation of its major offshore wind project, Hornsea 4, in the UK due to worsening global economic conditions affecting renewable energy development. The company cited rising supply chain costs, higher interest rates, and increasing execution risks, leading to a projected loss of up to 5.5 billion Danish crowns ($837.85 million) in breakaway fees and asset write-downs. Orsted has experienced a dramatic 80% decline in market value since its peak in 2021. The company also reported a better-than-expected first-quarter EBITDA of 8.6 billion Danish crowns, surpassing analysts' expectations of 7.88 billion. Despite this positive result, Orsted maintained its unchanged 2025 outlook, excluding the impact of the Hornsea 4 cancellation. The company continues to face challenges in the previously promising U.S. market, particularly due to delays, impairments, and political opposition to offshore wind, notably from former President Donald Trump. This regulatory pushback has affected broader industry confidence, as shown by Norway's Equinor halting its Empire Wind I project in New York following a U.S. stop-work order. Orsted will further evaluate impacts from U.S. tariffs and regulatory shifts as it navigates a more complex renewable energy landscape.
5. <https://www.hitachi.com/New/cnews/month/2024/12/241225a.html> - Hitachi Energy has received an order from Danish renewable energy developer Ørsted, subject to final investment decision, to provide the power electronics technology to integrate 2.4 gigawatts (GW) of renewable energy from the Hornsea 4 offshore wind farm into the grid, helping to meet the United Kingdom's Clean Power 2030 targets. Hitachi Energy will supply an advanced grid-forming solution that employs the next generation of grid stabilization technology, Enhanced STATCOM - to manage grid frequency variations and system voltage at all times. It is the first time the technology will be used in the offshore wind industry in Europe and marks a major milestone in the evolution of the conventional STATCOM installed at Hornsea 2. Located 69 kilometers (km) off the Yorkshire coast, Hornsea 4 secured a 2.4 GW Contract for Difference (CfD) from Government in September 2024. The CfD mechanism guarantees a fixed price level for the electricity generated, providing revenue certainty and giving developers financial stability to progress viable projects. Final Investment Decision on the project is expected within the next 15 months with Commercial Operation Date (COD) currently planned for 2030.
6. <https://www.theguardian.com/environment/2023/jul/12/hornsey-four-offshore-windfarm-given-green-light-after-five-month-delay> - The first two phases of the Hornsea development, which are operational, have a capacity of 1.2GW and 1.3GW respectively. Grant Shapps, the energy secretary, approved the project on Wednesday after the UK’s planning authority handed the decision to the government earlier this year. The delay has reignited calls within the energy industry to overhaul the planning system to make it quicker for offshore windfarms to move ahead. Shapps said that although the project would have some impact on the environment, these would be outweighed by “the urgent need for low-carbon energy infrastructure”. The developer behind the Hornsea development, Danish wind power giant Ørsted, said the government’s consent marked “the culmination of a rigorous process which ensures that the project can deliver” clean energy for the UK. A spokesperson said the company would review the full development consent order before moving the project forward “sensitively and sustainably”. “Offshore wind projects such as Hornsea Four are key to the UK’s energy security and will bring billions of pounds of investment into the UK, provide low-cost electricity for consumers and thousands of high-quality jobs,” they added.
7. <https://www.theenergyst.com/wind-industry-slams-new-5-month-delay-in-approving-hornsea-4/> - Ana Musat, policy chief at RenewableUK fumed: “(This) decision to delay the Development Consent Order for Hornsea 4 is particularly disappointing as it will now take longer to meet our renewables targets. This landmark offshore wind project has the potential to supply an enormous 2.6 gigawatts of clean electricity to the grid, displacing expensive gas, reducing bills and boosting our energy security. At a time when countries like the US and the EU are doubling down on attracting clean energy investment through financial incentives and a stable policy framework, the UK cannot afford to create unnecessary hurdles for investors and developers. Government needs to reform our cumbersome planning system urgently to ensure that renewable energy projects are not subject to needless delays. The wind advocate alleged that ”unclear guidance” given to planning authorities had resulted in no offshore wind project wind since 2017 has been recommended for approval by the Planning Inspectorate. All 6GW of these projects were delayed until the Secretary of State reviewed them to confirm approval. To meet our 50GW offshore wind target, the UK will need to install 4.5GW of offshore wind a year in the latter half of this decade. A reformed planning system is essential to ensure we can stay ahead in the global race to build vital new clean energy infrastructure.