# Ed Miliband’s offshore wind ambitions crumble amid rising costs and public scepticism



Ed Miliband’s grand vision for a green-powered Britain is quickly unraveling, as recent decisions have thrown the nation’s renewable energy strategy into disarray. The cancellation of the Hornsea 4 offshore wind project, a cornerstone of Miliband’s “Clean Power 2030” initiative, raises serious questions about his ability to deliver on ambitious promises. This significant setback highlights the mounting challenges of rising costs, interest rates, and broader geopolitical issues that threaten not only the green agenda but also the economic stability of the country.

The abrupt decision by Ørsted, the Danish energy giant behind Hornsea 4, is particularly alarming. They cited soaring construction costs and heightened market risks as reasons, and some insiders point to political decisions, including those from the US, that have sent shockwaves through the sector. Ørsted’s market value has plunged nearly 80% since its 2021 peak, underscoring the precarious state of renewable energy investments amidst a landscape increasingly unfriendly to ambitious green initiatives. This crisis has compelled Ørsted to slash its investment strategy by 25% through 2030, raising red flags about the viability of future projects.

With the cancellation of Hornsea 4, the UK faces a staggering shortfall of 14.4GW, creating an urgent need to install around 3,000 new turbines by 2030—a target many experts deem wildly unrealistic. Despite government assurances that replacements will soon be sought, industry experts warn of inevitable delays and ballooning costs, potentially leading to higher energy bills for consumers already grappling with escalating prices.

This situation resonates with a recent poll by Merlin Strategy, showing that a whopping 59% of respondents prioritize tackling the cost of living crisis over ambitious net-zero rhetoric. This demand for immediate economic relief transcends party lines, with voters across Labour, Conservative, and opposition parties calling for action that addresses pressing financial concerns instead of lofty climate promises. Dr. Lawrence Newport, a keen analyst, encapsulates this frustration, noting that voters aren't against clean energy; they're wary of the political façade that obscures rising costs and unfulfilled green commitments.

Further compounding these concerns, former Conservative Energy Secretary Claire Coutinho has criticized Miliband’s “Clean Power 2030” plan as utterly unfeasible. She warns that the cancellation of Hornsea 4 has worsened an already unstable situation, underscoring how dependence on such lofty targets could destabilize consumers and jeopardize businesses across the UK.

In a desperate attempt to salvage its energy ambitions, the government has announced a significant boost in funding for offshore wind projects, elevating its 'Clean Industry Bonus' scheme from £200 million to £544 million. While this investment is intended to revitalize private sector enthusiasm in a climate of uncertainty, many view it as a too-little, too-late measure. Given the recent turbulence in the sector, investor confidence hangs by a thread.

As frustration simmers among the electorate over skyrocketing costs and stalled green initiatives, the Labour government finds itself trapped: It must either abandon its green policies and risk alienating its core base, or continue to pursue unattainable environmental goals while ignoring the immediate struggles of ordinary citizens. The stakes couldn't be higher, as the tension between pressing economic needs and lofty climate objectives echoes the divisive debates seen during Brexit.

The onus is now on policymakers to strike a delicate balance between addressing the cost of living crisis and recalibrating their green ambitions. As polling data suggests, without concrete steps to alleviate financial strain, any lofty plans for a sustainable future stand to falter, further eroding public trust in the political establishment's commitment to both economic viability and environmental stewardship.

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.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.
3. <https://www.ft.com/content/7015e906-6415-4c35-a992-88f5f3e60e07> - Ørsted, the world's largest offshore wind developer, has halted its Hornsea 4 project in the UK due to rising costs and risks, posing a setback to the country's clean energy ambitions. 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.
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://dailysceptic.org/2025/02/07/milibands-net-zero-plans-torpedoed-by-uks-top-offshore-wind-developer-as-orsted-axes-major-projects/> - On Wednesday, Ørsted, the leading offshore wind developer in the UK, announced it is cutting its investment plans out to 2030 by 25%. It said: > We’ll reduce our investment programme towards 2030 through a stricter, more value-focused approach to capital allocation. We do this to ensure a stronger balance sheet, supporting a solid investment grade rating, and to ensure that we only invest our capital in the most financially attractive opportunities. > Our number one priority throughout the next three years will be to deliver on our committed 8.4 GW offshore wind construction programme, which will almost double our installed offshore wind capacity. The market remains challenging, but delivering on this programme will solidify our position as the undisputed global leader in offshore wind. … These adjustments will not affect the execution of the 9 GW of renewable projects that Ørsted is currently constructing. The construction portfolio brings line of sight to an expansion of renewable capacity from 18 GW to more than 27 GW. … The previous ambition for installed renewable capacity of 35-38 GW by 2030 and the targeted EBITDA (excluding new partnerships) of approx. DKK 39-43 billion in 2030 have been discontinued. The announcement from the Danish firm, which claims to be the leading offshore wind developer in the world, comes hot on the heels of the company’s CEO being replaced last month and the Chairman, finance chief and operating officer being fired last year. Yesterday’s news was not specific about which projects will continue and which will be cancelled. It looks like Hornsea Project 3, already under construction, will continue. However, the same cannot be said for the 2.4 GW Hornsea Project Four (H4) that won a Contract for Difference (CfD) at a 2024 price of £82/MWh in Allocation Round 6 (AR6) when the results were announced last September. According to H4’s latest newsletter, the project has been granted planning permission and won a CfD but it had not yet passed the Final Investment Decision. Sure enough, in Ørsted’s latest investor presentation Hornsea 4 has been axed from the investment plan. It is all but certain that Ørsted will not be participating in the forthcoming Allocation Round 7 (AR7) to win new subsidy contracts. Of course, this torpedoes Ed Miliband’s plan to almost quadruple offshore wind capacity by 2030. The loss of Hornsea Project Four and the lack of participation of Ørsted in new auctions will leave a massive gap to be filled. If the world’s leading offshore wind developer is feeling the pinch, then we can be fairly sure that other developers will be facing significant challenges too. This sudden announcement may explain why AR7 announcements appear to be behind schedule. The Administrative Strike Prices for AR6 were announced in November 2023, more than four months before the auction process began in March 2024 and some 10 months before the results were announced. Yet, we do not yet know the strike prices for AR7, nor the date for the start of applications. We might expect Miliband to offer even more of our money to try and keep his plans on track and for strike prices to rise again. It’s certainly looking like Miliband’s insane plans for offshore wind to provide the bulk of our electricity generation by 2030 are holed below the waterline. Instead of the answer blowing in the wind, it’s an entirely different fluid emanating from a different orifice. I have used X to ask Ørsted UK for comment. David Turver writes the Eigen Values Substack, where this article first appeared.
6. <https://www.irishtimes.com/business/2023/09/08/uk-offshore-wind-auction-fails-to-attract-investors-in-blow-to-net-zero-plans/> - The UK’s plans to develop cleaner energy have suffered a big blow after the government failed to attract offshore wind developers to its latest round of contracts for new projects. No offshore wind projects won contracts in this year’s annual auction for subsidies, according to results published on Friday, after developers had warned that the government was not offering enough support to offset their rising costs. It is a significant setback to the government’s plans to more than triple offshore wind capacity to 50 gigawatts by 2030 to help meet its legally binding target of net zero carbon emissions by 2050. Keith Anderson, chief executive of offshore wind developer Scottish Power, said the “economics [for the round] simply did not stack up” and the results were a “wake-up call for the government”. Ed Miliband, Labour’s shadow climate secretary, said the results were an “energy security disaster” and accused the Conservatives of “trash[ing] the industry that was meant to be the crown jewels of the British energy system”. Renewable energy projects in the UK are supported by the so-called contracts for difference system, in which the government agrees to guarantee developers a fixed price for the electricity they sell from the projects they are developing. But developers warned that the maximum price on offer in this year’s round for those contracts was not enough to get offshore wind projects off the ground.