

Greens oppose extending windfall tax to renewable sector



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The Green Party has said the renewable energy sector should not be liable for a windfall tax and that fossil fuel companies must not be able to avoid such a tax by 'hiding behind the façade of clean energy investments.' Greens have made the demands following suggestions the government is planning to introduce a windfall tax across the entire energy sector, including renewables [1]. Meanwhile there are also suggestions that fossil fuel companies will be able to avoid a windfall tax providing they provide updates each quarter on how they're boosting clean energy investments [2].

Responding, co-leader of the Green party, Carla Denyer, said:

"Oil and gas corporations have been making eye-watering profits, not renewable energy companies, and neither Shell nor BP paid any tax at all last year [3]. It is the fossil fuel giants that should face a dirty profits tax, based on the billions raked in from fossil fuels over the last year, irrespective of their investment plans.

"We cannot allow the fossil fuel industry to hide behind the façade of clean energy investments – often tiny in comparison to the investment they make into new fossil fuel extraction [4]. We know their game – their primary interest is in increasing the exploitation of oil and gas reserves. Just yesterday, a senior safety consultant quit working with Shell citing greenwash and accusing the company of failing to wind down on fossil fuels [5]. If a windfall tax stops them shovelling money into boosting fossil fuels, that should be welcomed; it is certainly not a reason to stall on introducing such a tax.

"Oil companies have benefited from billions of pounds of tax breaks, tax relief and subsidies. A dirty profits tax will go some way to make up for the taxpayer handouts the industry has enjoyed for too long.

"As Greens we see a windfall tax as a steppingstone towards introducing a carbon tax on all polluting industries – a move that will help drive the market away from fossil fuels towards renewables and help pay for a massive nationwide home insulation programme.

"Different tax arrangements for different forms of energy sends a clear message to investors, consumers and energy companies themselves that the future we want and need is based on clean renewable energy not dirty fossil fuels."

Notes

[1]

<https://www.bbc.co.uk/news/business-61566083>

[2]

<https://www.bloomberg.com/news/articles/2022-05-23/to-avoid-windfall-tax-uk-minister-wants-quarterly-green-plans>

[3]

<https://www.theguardian.com/business/2021/oct/30/shell-and-bp-paid-zero-tax-on-north-sea-gas-and-oil-for-three-years>

[4]

<https://www.theguardian.com/business/2022/feb/11/more-cash-than-we-know-what-to-do-with-oil-and-gas-companies-report-bumper-profits>

[5]

<https://www.theguardian.com/business/2022/may/23/shell-consultant-quits-environment-caroline-dennett>

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