

The rise and rise of corporate domination in renewable energy

by RICHARD WHYTE

Remember when Scotland was to be the Saudi Arabia of Renewable Energy? Remember when fuel poverty was a scandal but seen as a minority affliction? Remember when climate catastrophe was maybe still avoidable?

It has taken a few short years to mire us deeper in business as usual dominated by the interests of the corporations, institutions and policies that serve the mega rich, shaping developments to the advantage of their narrow short-sighted agendas.

In March the Intergovernmental Panel on Climate Change (IPCC) Synthesis Report summarising five years of reports and research stated bluntly that "there is a rapidly narrowing window of opportunity to secure a liveable and sustainable future for all ... rapid and far-reaching transitions across all sectors are necessary to achieve deep and sustained reduced emissions and secure a liveable sustainable future for all."

Given this background context, Dexter Whitfield's *Challenging the Rise of Corporate Power in Renewable Energy* makes at times shocking reading. The bankers, the private equity funds, fossil fuel giants and hedge funds are gobbling up existing renewable energy projects in secondary markets and transactions, often after the public sector has underwritten the original risks and often utilising tax havens to avoid or minimise paying taxes to states.

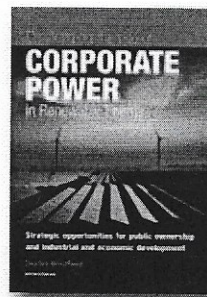
Corporate domination in the development, ownership and operation of renewable energy projects has advanced through 1,622 transactions costing \$672bn in three years. Twenty renewable energy companies paid \$10bn dividends in two years, 2019–21. The World Bank aggressively promotes Public Private Partnerships on emerging economies for new projects.

The reason that ownership matters is of course apparent where shareholder dividends and tax evasion are prioritised over community needs and state capacities, but the Scottish Trade Union Congress (STUC) has long been alert to the dangers and consequences of a lack of concern over ownership. It warned in a 2017 investigation into the low carbon economy that "not only will workers in Scotland miss out, but there are serious implications in terms of tax, transparency, economic democracy and meeting climate targets ... a lack of concern about ownership leads to a plethora of overseas financial interests within the Scottish

economy. This leads to offshoring of jobs and tax revenues, limits transparency and lessens the accountability that workers, communities and Government hold over multinationals."

Indeed, the Scottish Government Low Carbon Strategy 2010 predicted that there would be 130,000 new jobs created in the low carbon sector – but in fact eight years later only 23,100 direct jobs had been created. As the STUC remarked in 2020, the sector being "dominated by private and overseas interests is the primary reason for this lack of employment."

The auction of developments for offshore/onshore wind and solar projects has become the dominant mechanism for renewable energy, from six countries that adopted auctions in 2005, 106 auctioned by 2018. In 2020/21 Crown Estate Scotland auctioned 17 offshore wind sites which brought £699.2m payments for seabed leases as a one and only cash payment to the Scottish government.



Challenging the Rise of Corporate Power in Renewable Energy
by Dexter Whitfield
(Spokesman Books)

As Whitfield states, this sum does not reflect the value of the renewable energy assets that will be built. It guarantees privatisation in return for a lump sum and pre-empts publicly

financed, owned and operated renewable energy. Currently thirty-nine of Scotland's largest windfarms are owned outside Scotland and sixteen have links to tax havens.

As Commonweal has reported, the ScotWind auction massively undervalued Scotland's offshore energy resources. Three subsequent auctions – two in the United States and one in England – realised much more revenue for their respective governments: Commonweal calculate that on a comparative basis 40 times more revenue was obtained.

Challenging the Rise of Corporate Power in Renewable Energy brings together all the key developments in corporate domination of renewable energy and steadfastly identifies public sector alternatives to tackle climate change, create jobs, improve community well-being.

Anyone seeking to understand the situation we find ourselves in and the public sector's potential role in transformative change should study this book.

Organised in 10 chapters, Whitfield analyses the Crisis and Opportunities (chapter 1), Corporate Domination (chapter 2), the Trading of Renewable Energy Assets (chapter 3), The Wide Use of PPPs for Renewable Energy Projects in Emerging Economies (chapter 4), Tax Havens and Market Interventions (chapter 5). He then shifts from this detailed research of what's wrong with the current corporate domination to argue for and analyse alternative approaches. Chapter 6 explicitly

restates the importance of public ownership and public values citing the 152 new municipal utilities created in Germany between 2005–16, discusses global public goods, public service principles and sets out a “Public Sector Core Values Framework” in a useful diagrammatic form (figure 10, page 95). Chapter 7 is a short discussion on the Commodification and Marketisation of Nature and Biodiversity which includes reference to Wall Street’s planned takeover of nature via natural asset companies established to gain and hold the rights to ecosystems!

Chapter 8 deals with Equalities, Economic, Social and Environmental Justice, referencing New Zealand’s National Adaptation Plan. Chapter 9 describes Economic and Industrial Strategies, the need to improve inter/national grid networks and discusses renewable energy zones, net zero economic

zones, energy parks, decarbonisation of manufacturing, transport, steel, construction and retrofitting buildings and homes. The tenth and final chapter, Strategic Opportunities, explores how corporate domination of renewable energy can be challenged by alternative policies and actions to achieve decarbonisation, improve lives, living and working conditions.

At 156 pages including appendices, Whitfield’s book is a tight and densely detailed work packed with references and research drawn from a variety of sources. It provides facts, arguments and examples to challenge business-as-usual policies which seek to colonise every part of any future we may have. Buy it, study it, use it!

■ *Richard Whyte is a retired Unite the Union officer based in the Highlands.*