



FITs Review Team
Office of Renewable Energy Deployment
Department of Energy & Climate Change
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23rd October 2015

Dear Department of Energy and Climate Change,

URN 15D/435 – Consultation on a review of the Feed-in Tariffs scheme

In light of the current consultation on a review of the Feed-in Tariffs (FiT) scheme, we are writing as the UK's Green MP and MEPs to express our serious concerns over the Government's latest environmentally and economically reckless attack on renewable energy.

The FiT has been a great success. It has enabled hundreds of thousands of homes, communities and businesses to generate their own energy and has led to the price of solar power reducing to a point where it is possible to chart a clear route to subsidy-free solar in the near future.

The proposals for dramatic cuts in the FiT risks bringing this success story to a sudden halt. Rather than celebrating the contribution this will make to combatting climate change, the Government seems intent on destroying an industry which has so much to offer the UK in terms of job creation, security of energy supply, low-carbon generation – and, crucially, lower energy bills for households and businesses.

The renewable energy industry now employs an estimated 112,000 people in the UK and we have around 3,000 accredited businesses installing solar PV alone¹ - all will now be unsure of their future. The Solar Trade Association has estimated that the jobs of up to 27,000 people in the solar energy sector (out of a total of 35,000) could be at risk due to the proposed 87% cut to the domestic FiT for solar energy.²

As elected representatives of Brighton, the South East, South West and London regions, we have witnessed the enormous potential there is for home-grown, clean energy, often powered by communities. One of us recently published a report showing the South West has the renewable energy resources to meet more than 100% of its total energy needs,³ and another of us will imminently launch a report showcasing the fantastic work being carried out by communities across the South East to establish their own renewables projects.⁴

¹ <http://www.regensw.co.uk/blog/2015/09/renewables-and-bills-the-facts/>

² <http://www.solar-trade.org.uk/cut-to-solar-energy-feed-in-tariff-puts-up-to-27000-jobs-at-risk-across-the-uk/>

³ http://mollymep.org.uk/wp-content/uploads/The-power-to-transform-the-South-West_FINAL1.pdf

⁴ See separate attachment

However, if the Government goes ahead with these drastic and sudden changes, there will be an immediate negative impact on the amount of clean electricity generating capacity that is installed in the next few years. In recent weeks, four leading solar firms have closed largely due to subsidy cuts, and according to a new report by Community Energy England, the cuts have put 90% of future community energy projects at risk. This represents around £127 million in potential investment in local energy initiatives.⁵ Over 1000 jobs have already been lost.⁶ This is of particular concern especially as some of us have worked to encourage the European Commission to maximise the job creation potential of the green agenda across the EU.⁷

The Government's own forecasts say that these cuts will more than halve the amount of clean energy that gets built between now and 2020, delivering 40% less carbon savings than if the scheme were left intact.⁸

Far from inspiring confidence in the Government's claimed commitment to unleashing a 'new solar revolution', this casts serious doubt on the Government's commitment to tackling climate change and further undermines David Cameron's credibility in the run-up to the COP 21 climate talks in Paris. Just recently, the UN's chief environmental scientist, gave a damning verdict to the Government's proposals, saying the slashing of renewables subsidies sends a "very serious signal".⁹

We are not arguing that subsidies for renewables should be permanent. Indeed, solar power could become subsidy-free in the next few years here in the UK. But not if Government cuts to subsidies are wildly disproportionate to the impressive cost reductions that the industry has managed to achieve.

Rather than making these sudden and reckless changes to the FIT scheme, we urge the Government to do everything necessary to ensure the industry remains stable and that investor confidence is maintained.

Furthermore, the Government's proposals ignore the reality that renewable generation has a downward impact on the wholesale price of energy, thus lessening if not entirely counteracting the impact of small subsidies on bill payers. This was shown most recently by a study for Good Energy and research by Sheffield University.¹⁰ Good Energy's report shows that wind and solar brought down the wholesale cost of electricity by £1.55 billion in 2014.

As the Solar Trade Association has pointed out: this analysis shows that the net effect on bills of supporting new rooftop solar - under the STA's £1 plan - is zero.¹¹ The £100m we need

⁵ <http://www.greenpeace.org.uk/sites/files/gpuk/CEE-Survey-FITs-Impact-pdf.pdf>

⁶ <http://business-reporter.co.uk/2015/10/19/solar-power-industry-unveils-1-on-bills-plan-to-save-thousands-of-jobs/>

⁷ <http://www.jeanlambertmep.org.uk/wp-content/uploads/2015/07/Green-Employment-Initiative-pdf.pdf>

⁸ <http://keepfits.org/facts-and-info/>

⁹ <http://www.bbc.co.uk/news/science-environment-34555821>

¹⁰ <http://www.goodenergy.co.uk/press/releases/2015/10/19/renewables-bring-down-the-wholesale-cost-of-energy-finds-new-study>

¹¹ http://www.solarpowerportal.co.uk/news/sta_1_plan_open_letter_to_amber_rudd_in_full

added to consumer bills over three years will be completely offset by the savings from solar lowering the wholesale price.

The potential for renewable energy to cut bills is being shown by practical projects across the UK too. For example, in Kirklees an initiative is underway to install solar panels on 2,000 council homes. This would reduce the energy bill of many low income households by the equivalent of 2 weeks' rent each year. However, schemes like this are now looking financially difficult to achieve, due to the policy changes and uncertainty being created by this Government.

Just this week, the Committee on Climate Change confirmed that renewable energy is cost effective – finding that several low-carbon sources of power are likely to be cost competitive with new gas-fired generation facing a carbon price during the 2020s. Mature options, like onshore wind and solar, are at that stage already.

An alternative way to reduce the cost to bill payers of renewable energy support would be to use different sources of funding, for example the Infrastructure Fund or via the Green Investment Bank. It's a clear political choice to subsidise renewables via a levy on bills, whereas support for fossil fuels – notably tax breaks for fracking and for oil and gas extraction – is paid for through general taxation. The priority should be to phase out subsidies for fossil fuels and cancel plans for new nuclear power – redirecting these funds towards efforts to secure 100% of our energy from renewables.

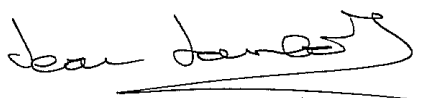
We are also concerned that this policy will undermine the UK's ability to meet its EU country-specific target of generating 15% of its total energy from renewables by 2020. Given that higher levels of renewable energy are being generated by some other EU countries we believe this target should very much be an absolute minimum for the UK to achieve.

Every one of the government's own polls says British people want to see more clean power. We urge the Government to listen to the electorate, to recognise that renewable energy can help reduce costs to consumers, as well as being important for jobs and reducing carbon emissions, and not to go ahead with these proposals which seriously undermine our clean energy potential.

Kind regards,



Keith Taylor - Green Party MEP, South East England



Jean Lambert - Green Party MEP, London



Molly Scott Cato

Molly Scott Cato - Green Party MEP, South West

Caroline Lucas

Caroline Lucas - Green Party MP, Brighton Pavilion