



DECC Consultation on changes to consultation on "Promoting the deployment of midscale building-mounted solar PV"

Response from Community Energy England

Community Energy England

Community Energy England (CEE) was established in May 2014 to provide a voice for the community energy sector primarily in England. Membership already totals over 90 organisations. The majority of the member organisations are from the community energy sector but the membership extends across a wide range of organisations which works with and supports the community energy sector. Further details can be found on the CEE website at www.communityenergyengland.org

Introductory Comments

Community Energy England aims to assist in the development of a supportive national infrastructure for the growth of community energy.

While CEE welcomes the Government's expressions of support for community energy as set out in the Community Energy Strategy published in January 2014, CEE believes that there is a more fundamental problem for the community sector with the current energy market and supply system remaining intrinsically hostile to independent suppliers and also therefore communities.

The Renewable Energy Directive adopted in 2009 sets binding targets for renewable energy with the object of achieving a 20% share of renewable energy in the EU overall energy consumption by 2020. The Renewable Energy Progress Report for 2013¹ states that:-

"While progress has been made until 2010, there are reasons for concern about future progress: the transposition of the Directive has been slower than wished, also due to the current economic crisis in Europe. Since the indicative trajectory to meet the final target grows steeper over time, in reality more efforts by most of the Member States' are needed in the forthcoming years. Current policies alone will be insufficient to trigger the required renewable energy deployment in a majority of Member States. Hence, additional efforts will be needed for Member States to stay on track in the forthcoming years."

CEE believes government policy is having a serious negative impact on the community energy sector as a whole. Specifically CEE believes that

1. *Financial constraints on the Low Carbon Framework need to be lifted*
2. *The UK should increase its 2020 renewables target and adopt an ambitious target to 2030.*

Therefore as a matter of principle CEE is not supportive of any UK government policy restricting further deployment of solar PV at any scale.

¹ http://europa.eu/rapid/press-release_MEMO-13-277_en.htm

Solar PV Consultation

The Problem

Paragraph 63 of this consultation lists various potential barriers to deployment of large scale roof mounted solar PV including

- the planning system
- lease conditions² and
- the difficulties some experience during the ROO-FIT application

CEE would not disagree that these are all barriers to deployment of roof mounted solar

Paragraph 63 goes on to state that the Solar Strategy Part 2 published on 4 April 2014 “set out a range of actions intended to address these barriers, and where these actions are implemented, we would expect to see increased deployment of commercial and industrial building-mounted solar PV as a result”.

However, with the possible exception of the problems with ROO-FIT we can identify no proposed actions in the Solar Strategy directed at addressing the barriers which have been identified.

In addition our members have raised concerns with us relating to

1. the difficulty and costs (particularly legal) of obtaining lenders’ consent
2. anomalies in FITs rates
3. the high cost of export meters
4. the issue of business rates on the larger building mounted schemes (i.e more than 50kW)
5. building standards – there are numerous examples of recently built large commercial and industrial buildings where the roofs are not strong enough to support a solar PV installation

Proposal Policy

Problems with greater than 250kW FIT band

1. The rate of the FiT is too low – the FIT rate rarely makes it viable to install solar pv at this scale and this is why a number of our member organisations believe that deployment at this level has been below expectations. It is cost effective only for very large simple to install system on large warehouse type buildings. However these are also typically the sort of building where the buildings standards and strength is inadequate to support a pv system. One example of this is the very large Veolia waste transfer building in Southwark. The rate is not viable for more complex roof systems or multi-building sites such as those in the health and education sectors (which are treated as one building by OFGEM).
2. The rate for the greater than 250kW band either needs to be increased or the band needs to be separated out for capacity threshold purposes so that it is not affected by the rate of installation of roofs in the 50-250kW band.
3. A number of our members believe that building mounted rates of FIT above 50kW have degressed too far for many installations to be cost effective. Generally they support separating out the rates to encourage more building mounted projects but the rates also need to be reviewed upwards.

² By ‘lease conditions’ we assume DECC is referring to the problem the difficulty in obtaining landlord’s consent to solar pv when it constitutes a tenant’s alteration under a lease.

4. There is a particular issue on definition of site. A large site, such as a University campus on a private wire with one MPAN is treated as having one address although typically it has a large number of widely dispersed buildings and the installation costs reflects those of a group of single buildings. In these cases single buildings should be treated as separate generating sites for FIT purposes.
5. Community projects take markedly longer to put together than commercial projects – we have gone into this in detail in our response to the concurrent DECC consultation on community energy. Therefore automatic degression is particularly problematic for our membership so we have proposed that DECC extends the pre-accreditation for community groups to 18 months across all technologies and all scales.

Consultation Questions

Question 9 – Do you agree that creating new degression bands as suggested will encourage more building-mounted solar PV deployment and allow continued steady deployment of stand-alone PV installations?

9.1 It may possibly provide some encouragement to building mounted solar but only if other barriers are addressed and we see no sign of this at present.

9.2 The way the changes have been introduced and the short notice appear to have created enormous uncertainty in the large scale commercial solar sector and caused loss of business confidence just as this sector was on a roll – a repeat of the mistake made in 2011 with the fast track FITs review which had a huge impact on the emerging community and social housing sectors.

The government's problem seems to be that as soon as a particular technology at a particular scale starts to perform well and is successful government runs scared and tries to curtail it.

In answer to the question, it seems fairly unlikely that these proposals will “allow continued steady deployment of stand alone PV installations”.

Question 10 - Do you agree that using the ‘stand alone’/‘other than stand-alone’ descriptions as the basis for the new degression bands will achieve the aim of increasing deployment of building-mounted solar PV? Please provide evidence to support your answer.

We have a specific concern about the impact on one member our organisation working on an innovative project to deploy solar pv to finance the installation of motorway sound barriers on the M40. This is a large scale project and these panels have a technically complex mounting system but are not supplying a building.

Question 11 Do you agree that the proposed split for the degression triggers for the stand-alone and >50kW other than stand-alone bands is appropriate? Please provide evidence to support your answer.

CEE agrees with the proposal to separate out degression bands as outlined in para 66 but does not agree with attempts to scale down deployment of field array solar.

Question 12 Do you agree with the proposed dates from which the new degression bands could apply (for both October 2014 and January 2015)? Please give reasons and provide evidence to support your answer.

No responses have to dated been received from members to this question. If we do receive further information we shall pass it onto DECC.

Kathy Smyth

for Community Energy England

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