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19th November 2011

Mel Stride MP
House of Commons
London SW1A 0AA

Dear Mel,

Sustainable Credton are most concerned and angry to hear that the government has announced proposals to bring forward a 50% cut in a key incentive for renewable energy – the feed-in tariff. We are, therefore, writing to you as our constituency MP to urge you to contact Chris Huhne, the Secretary of State of Energy and Climate Change, to call for changes in tariffs to be made from 1st April 2012 as originally planned (the Do Nothing scenario in the Government's Impact Assessment) and for a requirement for some (but not level C EPC) energy efficiency measures to be introduced. The government's own impact assessment shows that doing nothing only adds just £25 per year to average energy bills in 2020, a trivial amount compared to the massive rises in energy bills experienced this year alone due to fossil fuel cost increases and excessive profits taken by the "Big Six" energy companies. "Doing Nothing" will result in the continuing massive uptake of solar PV, a capacity of 12300 Gigawatt hours of clean green home generated electricity in 2020 (the equivalent of 2 new nuclear power stations) and burgeoning Solar PV and energy efficiency industries.

Sustainable Credton has invested significant volunteer time and effort in planning and implementing our solar scheme, which you have previously praised, for homes and community buildings. In making this announcement the Government has given our installer, Solarsense, just six weeks to complete installation of over 30 orders within the new deadline of 12th December and several orders have been cancelled as a result. We urge the Government to amend their proposals and extend the deadline for solar tariff payments to enable all our current orders to be completed and receive the existing 43.3p/KWH feed-in tariff as originally envisaged. Our members have acted in good faith in placing orders under our scheme believing that any review would not come into effect until 1st April 2012. We believe that the Government, by setting the new deadline at the 12th December 2011, have already decided the results of the consultation as it does not close until the 23rd December, and the results cannot possibly be known until the New Year. As you know our scheme has been incredibly successful up to the end of October, but we envisage little further take up if and when the tariff drops to 21p. We make this assessment using the uptake calculations employed in your Impact Assessment as mentioned further below.

Although not included in our scheme we are aware that the Haywards School solar project is impacted, as well as Mid Devon District Council's plans to fit 1400 council houses and buildings with solar panels. This latter project would have helped lift many council tenants out of fuel poverty.

The south west of England has excellent renewable energy resources that can be at the heart of a prosperous low carbon economy in the future. Research by Regen SW shows that the feed-in tariff has led to over 14,500 solar PV installations in the south west, bringing the benefits of secure and sustainable decentralised energy to many homes, communities and businesses. Furthermore, 2,000 jobs have been created in the solar PV sector in the south west during difficult economic times and over 380 companies have passed the necessary certification to install renewable energy. This Government announcement puts much of this good work in jeopardy with the solar industry reporting that redundancies could be confirmed within the next month as a result of these changes. Our own contracted installer, Solarsense, has advised us that they are considering letting between 13 and 16 people go after the December deadline has passed. Additionally they will have no requirements for the local electrical contractor and scaffolding company they have hired to help install the Credton orders.

Finally let us put into a wider context the importance of the feed-in tariff. The Government has committed to an 80% reduction in carbon emissions by the year 2050 in its efforts to counter global warming. The Government is also very concerned about fuel security knowing that peak oil is imminent. The Government recognises that growing our own green renewable energy supply is vital to our future, not just for the energy supplies but also economically because of the rising cost of importing fossil fuels. FITs were introduced on 1 April 2010, with all political party support as one aspect of a multi component approach which also includes the wide scale use of wind turbines, the building of carbon capture and storage experimental plants, and additional nuclear capacity. Through the use of FITs the Department of Energy and Climate Change hoped to encourage deployment of additional small scale low carbon electricity generation, particularly by organisations, businesses, communities and individuals who had not traditionally engaged in the electricity market. This was intended to allow many people to invest in microgeneration, in return for a guaranteed payment for the electricity they generate and export.

By frequently changing the terms and conditions of the FITs schemes the Government will run the risk of losing credibility with the constituency it is trying to encourage, namely organisations, businesses, communities and individuals. By reducing the FIT to a level where it is not economically viable for business, the Government runs the risk of killing off an industry which was set to make a massive contribution to the nation's green energy supplies. In its own analysis the Government estimates that the take up of below 4KW systems will reduce by 70% and the take up of between 4 – 50 KW by 95% after April 2012 compared with take up under the higher FIT rates. This level of take up does not require the employment of solar businesses at the current levels and must therefore result in redundancies.

Whilst many feel that the current FIT rates for solar PV are too generous, reducing them to a level which results in the destruction of a new industry and does not produce an appreciable uptake of green solar energy over the next 25 to 35 years rather defeats the purpose of the scheme. In our opinion, not changing the rates, other than going to the degression tables already planned for April 2012 which reduces the rates by 12% plus adding in the requirement for some stringent energy saving measures will somewhat cut demand but will also create an enlarged energy efficiency industry resulting in a blossoming PV and energy efficiency business.

In conclusion, we urge the Government to hold its nerve and make no changes to the FIT scheme for PV other than introducing the requirement for some energy efficiency measures from April 2012.

Yours sincerely,

Charles Mossman

Hazel Underwood

Chris Tucker

Members of Sustainable Crediton Energy Group