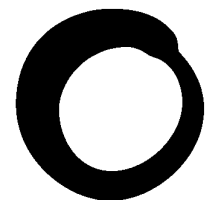


Solar feed-in tariff cuts:

A brief guide for councils and communities.



**Friends of
the Earth**

1. Key proposals from the consultation
2. What Friends of the Earth is calling for
3. What you can do

The Government has announced (31st October 2011) that it is consulting on a severe and sudden cut to the feed-in tariff for solar projects. The feed-in tariff was introduced in April 2010 to allow householders, communities, social housing providers and businesses to receive a stable return for generating their own green energy.

The proposals more than slash in half support for Solar PV, and will apply to projects from the 12th of December. If implemented, they make it much more difficult for community, local authority, and housing association schemes to go ahead, as the return made is significantly decreased.

1. Key proposals from the consultation:

- **Reduction in rates.** It is proposed that rates for all schemes under 50kW are reduced by around 50%. Aggregated schemes, such as multiple rooftop installations, are to receive 80% of the proposed reduced tariff rate. Schemes between 50kW and 250kW are to be subject to a second cut this year. Full tables detailing the rates are available in our briefing on the proposals. It is our understanding that this will impact heavily on schemes where the benefit is split between two or more parties, such as local authority schemes, and where upfront capital is not available and needs to be financed.
- **Early cut-off date** Schemes introduced after the 12th of December will be eligible for the new reduced rate, and will receive this reduced rate from April 2012.
- **Energy efficiency link** . The Government is consulting on two options, that from April 2012 either a property will have to have an energy efficiency rating of EPC band C, or have taken up all financeable Green Deal measures. We believe this is an inappropriate barrier given that the FIT is for electricity, not heat, and that there is limited subsidy available to help those with the cost of bringing their homes up to this standard, which on average costs over £7000.
- **Community energy tariff.** Views are sought on whether there should be a separate community energy tariff, and whether community energy needs to be defined. This will be consulted on further in the second part of the review of the FIT schemes, with the consultation due out 'by the end of the year'. It is not clear at this stage whether this would include local authority and social housing schemes, or what rate such a tariff would be at.

2. Friends of the Earth is calling for the Government to:

- Push back the cut-off date for schemes to April 2012 as originally planned.

- Reduce the rates for solar PV only in line with falling costs, and ensure the tariff works for social housing, local authority, and community energy schemes, either as part of the same or with a separate tariff.
- Reform the feed-in tariff structure to provide long-term certainty and stability for the schemes.

3. What you can do

Friends of the Earth is bringing together a coalition to achieve the above goals. It is crucial that voice of local authorities, housing associations and communities are heard in that. The consultation closes on the 23rd of December, but immediate action is needed before the cut-off date of the 12th of December.

1. Sign our joint letter to David Cameron and Nick Clegg

If you represent a council or organisation, please indicate you are happy to sign the draft letter to David Cameron and Nick Clegg available at this Conference by writing your name, organisation and email address on a copy of the letter and handing it in to reception as you leave. Small changes may need to be made to the letter on the basis on feedback, and you will then be emailed the final version of the letter tomorrow or the following day to confirm whether you are happy to add your name to it. This letter will be sent to Mr Cameron and Mr Clegg early next week. Please contact Glyn.Thomas@foe.co.uk for any questions.

2. Lobby your MP

Please arrange a visit to your MP and request that they support the above demands. If you are planning solar project, you may want to arrange for your MP to visit the site so they are away of the potential full impact of the proposed changes. Friends of the Earth is able to provide briefings and other lobbying materials.

Find out more: www.foe.co.uk/community/campaigns/climate/final_demand_33180.html

3. Tell us your story

Please let us know how the proposed changes affect you and your organisation – whether you have a scheme already up and running, are in the middle of the proposal, or where just thinking about it. It's crucial for us to be able to represent the impact that these changes would have. Please contact Glyn.Thomas@foe.co.uk

4. Respond to the consultation

Friends of the Earth will be producing a consultation response that we are happy to share with any interested parties. If you are responding to the consultation you can ask your MP if they will add their name to it alongside you. Please contact Glyn.Thomas@foe.co.uk

For further information, please contact Donna Hume, Energy Campaigner, Friends of the Earth on 0207 566 4088 or at donna.hume@foe.co.uk