DEPARTMENT OF ENERGY & CLIMATE CHANGE

Feed-in Tariffs Scheme:

Summary of Responses to the Fast-Track Consultation and Government Response

9 June 2011

Contents

Executive Summary

Introduction

1. The Feed-in Tariffs (FITs) scheme, which operates in Great Britain, aims to encourage the deployment of additional small scale low carbon electricity generation, particularly by individuals, householders, organisations, businesses and communities who have not traditionally participated in the electricity market.

2. The FITs scheme is intended to be easier to understand and have more predictable returns than the Renewables Obligation (RO), and to provide the additional support required to incentivise smaller scale and more expensive technologies. Between the start of the scheme in April 2010 and 3 June 2011 over 40,000 FIT installations were accredited, the vast majority at household level.

3. At the time the scheme was designed, it was made clear that periodic reviews, including early reviews, would need to take place. The FITs scheme is a public subsidy which is ultimately paid for by energy consumers. It is crucial, particularly in the current climate, that the Coalition Government takes a responsible and efficient approach to public subsidy to ensure that consumers receive value for money. As well as staying within spending limits, this means ensuring that the scheme continues to support the range of small-scale installations for which it was designed.

4. The 2010 Spending Review made clear for the first time that there are spending parameters within which the FITs scheme must operate, and stipulated the need to make 10% (£40 million) savings to the scheme in 2014-15 compared with original projections. More recently, further details on how the costs of the FITs scheme are managed via the control framework for DECC levy-funded spending have been published on the HMT website.[1] The spending envelope for FITs in the current Spending Review period is set out below. It is important to note that the figure for each year is cumulative, and must cover the costs of paying for projects accredited in previous years of the scheme as well as new projects.

	2011-12 (£m)	2012-13 (£m)	2013-14 (£m)	2014-15 (£m)
Feed-in Tariff	80	161	269	357

[1] see http://bit.ly/DECCLEVYQANDA and http://hm-treasury.gov.uk/psr_controlframework_decc.htm

5. We will shortly be publishing a Microgeneration Strategy which will set out the Coalition Government's vision for microgeneration; the current FITs scheme will be part of realising this. We will also shortly launch the Renewables Roadmap which will explain how we will deliver the UK's legally binding target of 15% of energy consumption from renewables by 2020 and the work we are doing to remove barriers to renewable energy deployment.

Solar PV greater than 50 kW and all stand-alone PV installations

6. The fast-track review of the FITs scheme was launched in response to evidence suggesting that larger solar photovoltaic (PV) projects would be deployed much more quickly than originally expected. We believe that this is partly because global PV module costs have fallen faster than originally envisaged, with the result that the original target Internal Rate of Return (IRR) for solar PV of 5% is being exceeded under current tariffs.[2] This in turn has resulted in demand for larger PV schemes (i.e. schemes that fall into the new band of >250 kW to 5 MW) which was not foreseen in the original modelling for the first three years of the scheme.

7. As the spending envelope for the scheme is limited, the construction of these projects would threaten the amount available for smaller scale installations. That is why we have consulted on proposals aimed at rebalancing the scheme back to its original intent. The intended effect of these proposals was to limit the number of larger schemes, including installations on rooftops as well as so called "solar farms", which threatened to alter the use of the scheme to such an extent that the full range of intended beneficiaries (individuals, householders, organisations, businesses and communities) would have lost out. In addition, the scheme was intended to support a range of technologies, and the predicted increase in size and scale of solar PV installations would have used up the funding originally intended for those other technologies. As an illustration of the financial constraint, we estimate that every 5 MW solar PV scheme would incur a cost of approximately £1.3m per year for the scheme, which means that 20 such schemes would incur an annual cost of around £26m, money that could support PV installations for over 25,000 households.

8. We are grateful for the responses submitted to the consultation, of which there were more than 500, and we have looked carefully at the views of respondents and the further evidence they provided. The most notable aspect of the responses was that they provided significant further evidence that demand for larger PV projects is indeed much higher than originally expected. Along with our own assessment of projects under development, this has reinforced our conviction that we must act now.

[2] See paragraph 36 of the original scheme Impact Assessment available at www.decc.gov.uk/fits/

9. We appreciate the concerns raised by those who have already invested in projects with long lead-in times, and understand that in many cases there will be significant sunk costs. However, for the sake of the industry more widely, it is vital that we protect the integrity of the scheme and can continue to support the ambitious roll-out of new green energy technologies in homes, communities and small business.

10. We therefore remain convinced of the need to make changes as a matter of urgency and will implement the proposed changes by amending the Standard Conditions of Electricity Supply Licences. This means that the following changes will be made to generation tariff levels for solar PV installations at the following scales for all installations with an eligibility date[3] on or after 1 August 2011.

Band (kW Total Installed Capacity - TIC)	Tariff (p/ kWh)
>50 kW – • 150 kW TIC	19.0p/ kWh
>150 kW – • 250 kW TIC	15.0p/ kWh
>250 kW – 5 MW TIC and stand-alone installations	8.5p/ kWh

11. Degression will continue to apply to the >50 kW – • 150 kW and >150 kW – • 250 kW bands from April 2012 at the same rate as applies to other solar PV installations, and the >250 kW – 5 MW and stand-alone installations band will not degress. Tariffs will also be subject to annual adjustment to reflect changes in the Retail Price Index (RPI). However, it should be noted that all tariffs for installations entering the scheme after the planned comprehensive review will be subject to any revised tariffs introduced at that review.

[3] "Eligibility date" is defined in Schedule A of Standard Licence Condition 33 as "the date as regards a particular Eligible Installation from which eligibility for FIT Payments commences which shall be the later of the date:

(a) as applicable, of

(i) receipt by the Authority of a FIT Generator's written request for ROO-FIT Accreditation in a form acceptable to the Authority; or

(ii) receipt by a FIT Licensee of a FIT Generator's written request for MCS-certified Registration;

(b) on which the Eligible Installation is Commissioned; or

(c) of Implementation."

Transitional Period for PV schemes

12. Many respondents, particularly prospective generators at the larger end of the market, but also those involved in larger community and public sector schemes, explained that they have invested significant time and resources in developing projects that may not be able to commission by 1 August 2011.

13. As a result, a number of respondents suggested that installations already under development should be permitted to claim the original tariff levels as long as they met certain conditions. We have given serious consideration to the range of possible transitional arrangements suggested by respondents. The variety of responses, however, has underlined the fact that no transitional arrangement would have a fair spread of benefits.

14. The other difficulty is that any transitional arrangement has to be considered in the light of the spending envelope for the FITs scheme. In other words, the longer the current tariffs are available to larger schemes, the greater the impact on other technologies and the lower the number of domestic PV installations that can be supported.

15. Responses to the consultation, confirmed by our further analysis, indicated that the costs of a transitional arrangement which helped a reasonable number of projects could be up to £20m per year for the 25 year lifetime of the scheme. This represents 19-25% of the spending envelope permitted for the first year of the scheme (2011-12). In order to make possible this level of expenditure, we would have to find savings from elsewhere in the scheme. It is difficult to see where we could find this level of savings apart from by making substantial cuts to tariffs for other technologies, for example. Having give the matter very careful consideration, we are therefore not proposing to put any transitional arrangements in place.

16. However, we will continue to work to identify mechanisms to encourage companies including manufacturers to green their operations, noting the important role that industry plays in delivering carbon reductions in the UK economy.

Anaerobic Digestion (AD) schemes of less than 500 kW

17. The Coalition Government is committed to delivering a huge increase in energy from waste through anaerobic digestion and recognises the role that Anaerobic Digestion (AD) can play in delivering a zero waste to landfill society. AD also has other benefits which were set out in the fast-track consultation document, including those which are specific to on-farm use of AD such as manure management and controlling diffuse water pollution.

18. However, the first year of the scheme saw the commissioning of fewer than expected AD projects of less than 500 kW (the type of installations that would often be appropriate on farms) and the suggestion that the target IRR of 8% was not being delivered by FITs for such projects. The fast-track consultation was designed to help address this in a manner consistent with the wider need for a responsible approach to public subsidy as described above. Specifically, it sought views on proposals for new AD bands to better reflect the cost differentiation between installations of different sizes under the 500 kW threshold.

19. Most consultation responses agreed that the tariffs for AD should be increased to the level we proposed, although a number of respondents argued that the increase should be much higher. We have considered the alternative tariffs suggested but are concerned they may lead to returns higher than those that FITs are designed to deliver (and which are the basis for the scheme's state aid approval). Similarly, we feel that the issues surrounding uptake of AD go beyond FITs. These will be considered in the Coalition's forthcoming AD strategy.

20. We therefore intend to increase AD tariffs as proposed in the consultation to:

Band (kW TIC)	Generation Tariff (p/ kWh)
• 250 kW	14.0p/ kWh
>250 kW – • 500 kW	13.0p/ kWh

Next Steps

21. Both these sets of changes will be introduced by amending the FIT Payment rate table in Annex 2 to Condition 33 of the Standard Conditions of Electricity Supply Licences, subject to the Parliamentary process set out in the Energy Act 2008, and any necessary state aid approval from the European Commission. Our intention is that these changes will be made in July 2011 and take effect from 1 August 2011, and will apply to all installations with an eligibility date on or after that date.

22. As noted above, "eligibility date" is a defined term in Condition 33 of the Standard Conditions of Electricity Supply Licences. Application of these is the responsibility of licensed electricity suppliers and Ofgem, who are responsible for administering the FITs scheme. In order to be eligible for existing tariffs, installations with a declared net capacity of greater than 50kW (and all capacities of AD installations) must, before the 1 August 2011:
    - have made an application for accreditation to Ofgem via the ROO-FIT accreditation process;
    - have "commissioned" in accordance with the legislative definition set out in Condition 33 of the Standard Conditions of Electricity Supply Licences. Ofgem have advised that they will also make reference to the definition of "commissioned" in the Renewables Obligation Order (ROO) in coming to a view; and
    - met all other relevant eligibility criteria set out in the ROO, including being capable of generating electricity on which ROCs could be issued.

23. The increase to the AD tariff requires a more detailed level of scrutiny by the European Commission under State Aid regulations. This may lead to a delay to the introduction of the increased AD tariff, which will be introduced on the 1 August or the date of state aids approval, whichever is later.

24. As the Coalition Government has repeatedly stressed, we will not act retrospectively and any changes to generation tariffs implemented as a result of the fast-track review will only affect new entrants into the FITs scheme. Installations which are already accredited for FITs at the time the changes come into force will not be affected.

25. FITs is a Great Britain scheme so these changes will apply in England, Scotland and Wales.

The Comprehensive Review

26. Many respondents to the fast-track review consultation made comments that were outside the scope of the fast-track review. In particular, a number of views were received on the growth of so-called “rent a roof” schemes involving aggregation of <50 kW installations, and on alternative tariffs designs such as automatic degression. We have noted all these responses and will use these to inform the development of the comprehensive review of the FITs scheme which was announced on 7 February and is currently under development.

27. A consultation on the comprehensive review will be launched this summer with the intention that any resulting changes to the scheme will take effect from 1 April 2012, unless the review itself reveals the need for greater urgency. As with the fast-track review, the Coalition Government will not act retrospectively and any changes to generation tariffs resulting from the comprehensive review will only affect new entrants into the FITs scheme from that date. Installations which are already accredited for FITs at the time the changes come into force will not be affected.

28. We understand that all stakeholders require information regarding the future of the scheme as early as possible and will work provide this information in a timely manner.

Responses to the consultation

29. The consultation closed on 6 May 2011 and we received 516 responses. 66% were from organisations including suppliers, private companies, investors, industry, installers, manufacturers and other organisations; 16% were from NGOs, Trade Associations and Charity/Community groups; and 8% from Other Government Departments, statutory agencies, academia and Local Authorities. The remainder of responses were submitted by individuals.

30. The following pages provide summaries of the responses received to each of the questions posed in the consultation document, as well as explaining the Coalition Government’s response to these views and what this means for the scheme.

31. A list of all those who responded to the consultation can be found in the Annex to this document and all non confidential responses are available on the DECC website.[4]

[4] http://www.decc.gov.uk/en/content/cms/consultations/fit_review/fit_review.aspx

List of questions in the fast-track consultation document

1. Do you agree or disagree that there is a need to limit access to FITs for large scale solar PV installations in order to meet Spending Review targets? Please give reasons for your answer. If you agree, what do you think is the best way of doing this?

2. Do you agree or disagree with the proposed new tariff bands and the accompanying proposed reduction of tariffs for PV installations in these bands? Please give reasons for your answer. If you disagree, please provide evidence to support an alternative.

3. Do you agree or disagree with the proposed timing of the change in tariffs including the implementation date of 1 August 2011 and that the tariff change will apply to all installations with an eligibility date on or after that date? Please give reasons for your answer. If you disagree, please provide evidence to support an alternative.

4. Can you provide any further information or evidence on predicted uptake of installations or other insights that you think DECC should be aware of about how the market for PV is evolving in the light of FITs?

5. Do you agree or disagree with the proposed new tariff bands and tariffs for farm-scale AD? Please provide evidence to support your view. We would be particularly interested in quantitative evidence of the capital and operating costs of farm-scale AD schemes.

6. Do you have any other views and associated evidence on the slow uptake of farm-scale AD under FITs to date?

7. Do you consider that controls are necessary to prevent the wholesale expansion of energy crops for AD? If so what do you consider to be the best way to implement these controls to be considered in the comprehensive FITs review?

8. Do you have any suggestions or thoughts on the scope of the comprehensive FITs review (by Tuesday 12 April 2011)?

Detailed analysis of consultation responses and Government response for each question

Question 1

Do you agree or disagree that there is a need to limit access to FITs for large scale solar PV installations in order to meet Spending Review targets or should we limit access for other technologies to meet Spending Review targets? Please give reasons for your answer.

Views on the proposal

32. There were 466 responses to this question. 40% agreed, 57% disagreed and 3% were neutral. Several respondents who agreed with the proposal suggested variations in scope and emphasis, and several who disagreed recognised that there was a need to moderate FITs expenditure.

33. Among those who disagreed, the most frequent argument was that it was inappropriate for FITs to be included in the Government's Spending Review, because the cost of the scheme is paid for by electricity suppliers (passed on to their consumers) and is not part of Government taxation and spending.

34. Other reasons frequently provided were that:

- it would undermine investor confidence in renewables;
- large scale solar is more efficient than small scale;
- existing expenditure would be affected, so the change would have retrospective effect;
- planning and grid access would (or should) provide a limit to investment;
- jobs and investment were threatened;
- any limit to FITs would affect the UK's ability to meet renewables and CO_2 targets;
- large scale solar was preferable to and/or cheaper than new nuclear;
- a balance of technologies and scales of renewable energy is needed;
- a 50 kW threshold for the highest tariff was too low;
- it was appropriate to limit large solar farms but not installations on community or industrial buildings where the electricity is used onsite;
- large companies contributed to FITs funding through their bills so they should have access to the benefits;
- innovation at the large scale benefited solar PV at all scales.

35. Among those who agreed with the proposal to limit access to FITs for larger scale PV, the reasons included the need for a responsible approach to expenditure. Many respondents supported the view that the FITs scheme was not intended to benefit large scale developments and speculative investments. The impact on bills, including for the fuel poor, was frequently cited as the justification for the need for restraint.

36. Many respondents identified the particular benefits of small domestic and community scale projects including the link to broader low carbon behaviour and to social inclusion.

37. Some respondents agreeing with the question pointed to the level of tariffs that applied to larger scale solar developments in particular. It was argued that these were too high from the start, or had become so because of the reduction in costs. This had led to overheating of the market, particularly in South West England, and this could have environmental and landscape impacts.

Alternative proposals

38. Respondents who disagreed with the proposal did not specifically identify other technologies that should be targeted for savings rather than PV larger than 50 kW. However a number of alternative suggestions were made. These included renegotiating the Spending Review envelope and limiting investment in large solar through the planning system or via more complex rules such as a minimum requirement for onsite use.

Government response

39. The 2010 Spending Review set out how the Coalition Government will carry out Britain's unavoidable plan for deficit reduction and cost saving. This is an urgent priority to secure economic stability at a time of continuing uncertainty in the global economy and to put Britain's public services and welfare system on a sustainable long term footing.

40. The Spending Review sets out departmental spending plans for the next four years until 2014-15 and further savings and reforms to welfare, environmental levies and public service pensions. The commitment to deliver £40 million of savings (around 10%) from the FITs scheme in the 2014/15 financial year, is part of this process. We do not consider it appropriate to revisit this decision.

41. We understand that the majority of respondents do not want the proposed reduced tariffs to be introduced. We acknowledge that the fast-track review may have an impact on investor confidence for the PV sector and potentially for other renewables. However, the need for fiscal responsibility across all areas of government spending is a key objective of the Coalition Government.

In order to achieve this, the Treasury has put in place a control framework.[5] For FITs, this framework confirms the spending envelope for the scheme from 2011/12 to 2014/15.

42. We are committed to meeting our renewables targets. We also have to ensure that we meet those targets cost effectively and as far as we can limit the impacts on people's energy bills. This is true at any time but particularly in the current fiscal and economic environment. The control framework, with its transparent spending envelopes for each policy, helps to deliver this cost-effective approach.

43. We have focussed our attention in the fast-track review on PV installations above 50 kW because this sector poses a particular threat to the FITs spending envelope unless we take corrective action – not acting would mean we would have less money available for supporting other technologies and installations at different scales. We recognise the need to look more broadly at other sectors of the FITs scheme to ensure that the scheme as a whole is continuing to deliver as originally envisaged and complies with the Spending Review commitments and the *Control Framework for DECC levy-funded spending*. This will be a priority for the comprehensive FITs review which also provides an opportunity to make adjustments in the light of market developments, such as the rapid fall in the global module costs of PV, witnessed since the start of the scheme in 2010.

[5] see http://hm-treasury.gov.uk/psr_controlframework_decc.htm

Question 2

Do you agree or disagree with the proposed new tariff bands and the accompanying proposed reduction of tariffs for PV installations in these bands? Please give reasons for your answer. If you disagree, please provide evidence to support an alternative.

Views on the proposal

44. There were 442 responses to this question. 16% agreed with the proposed new tariff bands and accompanying proposed reduction of tariffs for PV installations, 81% disagreed and 3% were neutral.

45. However, the yes/no responses were supported by a wide range of views. In particular, there was no clear consensus on either bands or tariffs. Many felt that “solar farms” i.e. large ground mounted installations, especially on greenfield sites, were likely to gain undue reward from the current tariffs. However, similar numbers felt that PV installations of less than 50 kW were quietly receiving the most benefit from the scheme and should therefore bear some of the reductions.

46. All those who commented on the largest PV generation band (>250 kW to 5 MW) felt that the proposed tariff would not provide sufficient incentive for any installations at this scale. However, respondents varied in their opinions of whether this was a bad thing or not. There were calls for Government to be clear on the intention for this scale of scheme. Setting the band based on a comparison with the support for offshore wind under the Renewables Obligation was not viewed as suitable by a majority of respondents, who felt that it did not follow the FITs methodology which intended to provide an equivalent return for all technologies, then use degression to reduce tariffs in line with costs. Many noted that large schemes can benefit from economies of scale not available to smaller schemes, they also noted that this improved the overall PV market by pushing down costs and up-skilling the industry.

47. In regard to the small end of the scale, some respondents felt that cuts should also be applied to tariffs below 50 kW, while many felt that the point below which no changes were made should be increased from 50 kW. There were a range of views on what this level should be, ranging from 75 kW to 500 kW with the most common answer being no reductions to tariffs for installations below 100 kW installed capacity.

48. A few respondents believed that the proposed tariffs at mid range (>50 kW – <250 kW) would deliver Internal Rates of Return (IRR) in line with the intention of the scheme (5% for PV). [6] However, the majority felt that this was not the case and where alternative approaches were suggested, these generally consisted of raising the 50 kW lower threshold (see above) and introducing a new tariff for these intermediate bands based on cost reductions of less than 30%.

49. Where project viability information was supplied, the majority felt that their particular schemes would not be viable under the proposed tariffs. However respondents were split between those that felt this was because such tariffs would deliver IRRs lower than the intended level for the FITs scheme (5%) and those that felt viable investments required an IRR greater than 5%.

50. Those who agreed that a cut to tariffs was required consistently called for reductions to all tariff bands by an equal amount. The most common suggested amount was 25%. Degression was then suggested to control any further cost reductions in PV.

51. Many respondents gave examples of community, public sector, roof-mounted, commercial, building-integrated and brownfield/contaminated land sites which would not be feasible as a result of the suggested tariffs. In most cases this was due to the resulting IRR being too low to guarantee investor interest, even though in some cases the required IRR was above the 5% targeted for PV by the FITs scheme. However, some respondents noted that 50 kW was a suitable maximum size for genuine community schemes.

52. Several respondents felt that external factors, such as planning and grid connection, environmental issues and the challenges of mounting PV on roofs would act as natural brakes to uptake under the scheme. A subset felt that such external factors negated the need to make any reductions at all.

Suggested alternatives

53. Some respondents to this question (4%) suggested alternative of bands and/or tariffs. Of these, most felt that an average reduction in line with cost reductions across all bands was appropriate. This figure varied between 10-30% with an average of 25%. Overall, respondents felt that tariffs for schemes at the smaller end of the proposed bands should be reduced by less than this and that large schemes should receive a higher degree of reduction to balance the scheme.

[6] See paragraph 36 of the original scheme Impact Assessment available at www.decc.gov.uk/fits.

54. As noted above, many respondents disagreed that 50 kW should be the limit for cuts to current tariffs.

55. It should be noted again that the majority of respondents disagreed with the need to make any tariff reductions at all and so were unlikely to suggest alternatives.

56. Many respondents also suggested that tariffs should ensure that on-site demand is matched to generation. Most of those that considered demand matching were indifferent to the scale of the scheme as long as only a percentage (0-30%) of generation was exported directly to the grid. It was suggested this would restrict the number of speculative developments at a range of scales.

Other comments

57. We also received suggestions of how the scheme could be altered to ensure certain types of PV developments (community, roof-mounted, building-integrated, brownfield, contaminated land and low grid export) could go ahead. There were also more complicated proposals for sliding tariff scales, actively managed pipelines for large schemes, caps on generation permitted in different bands and a market-based auction approach. Not all of these are relevant within the scope of the fast-track review. However, comments will be noted in the development of the comprehensive review.

58. Many respondents noted the detrimental impact of the fast-track review on confidence in the UK renewables policy and on investor confidence in particular. Clarity and transparency were requested as was a long term vision for solar PV in the UK.

Government response

59. Responses to this question confirm our view that the current tariffs are providing a higher return than the 5% IRR originally intended for PV installations supported by FITs. This in turn helps to explain the unforeseen investor interest in larger solar PV. We recognise from responses that the >50 kW market is developing and that there are concerns about the proposed reduction in tariffs. We have considered all responses to this question and note that there was no consensus about which bands were appropriate or what the level of tariff reduction should be (if anything). No respondents considered that a rate of 8.5p/ kWh would make large scale solar projects viable, and the overwhelming reason for this was that it would not deliver an IRR of 5%.

60. For schemes under 250 kW, many differing views were provided. Of those accepting the need to reduce tariffs, the majority requested that other factors than purely scheme size should dictate the tariff. These included specifically supporting community schemes, installations on buildings, or those using the generation locally. However, such suggestions fall outside the scope of the fast-track review but could be considered in the comprehensive review. The only change for which there was consistent support was to alter the rate of the 50 kW to 150 kW band. For those that commented specifically on this range, most argued for a tariff of around 25p/ kWh.

61. We have considered these suggestions together with information provided on the returns that would be delivered by the proposed generation tariff (19p/kWh) for installations in the range 50-150 kW. We consider that this tariff will deliver at least a 5% IRR for well located installations, and we therefore propose to introduce the tariffs as proposed.

62. The proposed generation tariff for installations between >150 kW and <250 kW band (15p/kWh) sets a transitional band between the other proposed tariffs. We consider that any substantial change to this tariff would result in an unsustainable increase in installations in this range.

63. We recognise that the proposed tariffs for installations larger than 250 kW would not provide sufficient returns for commercial investment at this scale at current prices. It was made clear in the March consultation document that this was not the intention of either the current or the proposed tariffs. We need to ensure that we work within the spending constraints on the scheme, and do so in a way that delivers value for money for electricity consumers. We do not believe it is sustainable to continue to support large scale solar PV installations at the current levels, which are well above those that are available to other large scale installations either within the FITs scheme or in the Renewables Obligation.

64. We do not consider that support for large scale PV delivers the broader behavioural benefits of domestic and community scale developments, and we believe that the proposed incentives for PV up to 250 kW will provide an IRR of 5% for some community schemes and, together with activity at the domestic scale, contribute to the development of a viable PV industry in Great Britain. We do consider that there is a potential future for larger PV installation in the UK but only if the viability of projects is not dependent on Government support significantly above the levels provided to other large scale renewables. Many industry sources suggest that this may be before 2020. We therefore intend to implement the changes to generation tariffs for PV installations larger than 250 kW as proposed.

Question 3

Do you agree or disagree with the proposed timing of the change in tariffs including the implementation date of 1 August 2011 and that the tariff change will apply to all installations with an eligibility date on or after that date? Please give reasons for your answer. If you disagree, please provide evidence to support an alternative.

Views on the proposal

65. There were 437 responses to this question. 24% agreed with the proposed 1 August implementation date, many on the basis that it was warranted by the urgency underpinning the fast-track review and would provide certainty quickly.

66. However, 73%, disagreed with the proposed timing of the change in tariffs. The main reason for this was concern that projects already in the pipeline would be unable to commission by 1 August because of long lead-in times. Around 10% of respondents to this question raised this concern, referring to investment made in undertaking surveys, design, pre-planning discussions, planning applications and grid connection discussions as well as construction. Factoring these in, responses suggested that project timelines for larger scale solar PV schemes (from inception to final commissioning) could range from 3 months to 3 years. 12 to 18 months was the most commonly cited.

67. On that basis, many considered that 1 August was too soon and would jeopardise investment on projects that wouldn't be commissioned by 1 August. There was no consensus on how much investment would have been committed by such projects but this was frequently described as "considerable". Of those who provided specific costs, many focused on the costs of securing planning permission, suggesting that these could be anywhere in the region of £30,000 to £200,000. Several respondents argued that schemes where investment had been made would not be viable under the proposed tariffs and that this would have knock on effects on investor confidence and the credibility of the UK's commitment to renewables more generally.

68. A smaller number of respondents took the opposite view, disagreeing with the proposed implementation date on the basis that it was too late and would not fully mitigate the concerns about larger solar PV identified in the consultation document.

Suggested alternatives

69. The two most commonly proposed alternative implementation dates were the end of 2011 and April 2012 (the latter being the most popular).

70. A range of transitional arrangements were also proposed to grandfather the current tariffs for projects already in the pipeline if the 1 August implementation date were maintained. Some respondents suggested a grace period should be introduced for projects meeting certain criteria e.g. community schemes and those benefiting not for profit/public sector organisations.

71. Others suggested grandfathering tariffs for projects which, at a specified point (the vast majority suggested 1 August), were under construction; had received planning permission; had grid connection agreements; had applied for grid connection; had applied for planning permission; or had agreed project finances.

72. However, there was very little evidence provided of how many projects would benefit from these different transitional arrangements. Cost estimates were provided for a proposal of grandfathering tariffs for schemes which had applied for planning permission and had grid connection agreements at 18 March 2011, limited to one scheme per developer. It was suggested that this would mean grandfathering tariffs for 16 schemes each with an average size of 4 MW, and that this would cost the FITs scheme £18m per year (or £14m if tax benefits were netted off).

Other comments

73. A number of respondents reiterated their opposition to the fast-track review and argued that the Government should revert to the review timetable foreshadowed at the Spending Review. There were also some respondents who disagreed with the proposal on timing on the basis of their wider opposition to solar PV being supported by FITs in the first place.

74. Some respondents commented on the practicalities of the proposed 1 August implementation date, for example asking for clarity on the definition of “eligibility date” and for assurances that Ofgem’s, and suppliers’, systems are able to process applications for schemes which are commissioned before 1 August.

Government response

75. We recognise that the majority of respondents disagreed with the proposal to implement any new tariffs for PV installations greater than 50 kW from 1 August 2011. The main reason for this was concerns about the impact on investment in projects to date. We have given careful consideration to these responses and to the alternative approaches suggested.

76. Specifically, we have considered the two main alternatives suggested of a later implementation date and transitional arrangements in terms of both affordability and deliverability. Both are possible from an administrative perspective, depending on the precise arrangements. However, in considering the potential cost impacts of them the evidence suggests that the impact on the costs of FITs, and the ability to deliver the Spending Review commitments, would be significant.

77. For example, a common suggestion was to grandfather tariffs for schemes with planning permission at 1 August 2011. There is already around 250MW in the planning system (i.e. both schemes which have applied for planning permission, and those which have received planning permission).

78. Even if 30% of these were commissioned (equal to 75MW) and received the current tariffs, the cost would still be around £20million, or a quarter of the entire FITs spending envelope for 2011/12. We have also considered a more narrowly defined transitional arrangement, applying to schemes which had planning permission and grid connection at the time the fast-track consultation was published (18 March 2011). We understand that about 20 MW of capacity could meet these criteria in Cornwall and a similar amount elsewhere in the country. We have therefore estimated that the cost of this transitional option could be in the region of £3.9-£8.7m, using current tariff levels. Additionally, under either of these transitional options, there would still be those who had made investments who would not meet the criteria and therefore may consider them to be unfair.

79. The cost of delaying the implementation of tariffs, or of introducing transitional arrangements is consistent with the wider picture of the >50 kW market emerging from consultation responses. This in itself has amplified rather than dampened the concerns that underpinned the case for urgent action which prompted the Secretary of State's announcement of the fast-track review in February. For example, developers responding to this and other questions suggested that, based on their understanding of projects in the pipeline, around 20 - 25 MW of large-scale solar could be commissioned by 1 August. So, even without any transitional arrangements, larger scale solar PV will have an impact on the costs of FITs and this will need to be factored into the Comprehensive Review's consideration of how the Spending Review commitment will be delivered.

80. On that basis our intention remains to make the changes in July, before the House rises for summer recess. These changes will then take effect from 1 August and will apply to all installations with an eligibility date on or after that date.

81. "Eligibility date" is defined in Condition 33 of the Standard Conditions of Electricity Supply Licences. In order to be eligible for existing tariffs, installations must be commissioned, have met all relevant eligibility criteria set out in the ROO and have made an application for accreditation to Ofgem before 1 August 2011.

Question 4

Can you provide any further information or evidence on predicted uptake of installations or other insights that you think DECC should be aware of about how the market for PV is evolving in the light of FITs?

Market information provided

82. There were 335 responses to this question. Much of the information was provided on a confidential basis. Specific quantitative market information provided in response to this and other questions is included in the analysis of response to Questions 2 and 3 above. More general points are summarised below.

83. Some respondents said that the solar PV industry has developed well since the launch of FITs and that the rapid growth has stimulated manufacturing and installation supply chains, driven cost reductions and created jobs in the UK. They stressed the importance of not losing the momentum before the industry is able to sustain itself. Others mentioned that uptake has been disappointing, with reasons including lack of awareness of FITs, lack of access to finance and monopoly power of MCS (leading to over-pricing).

84. Many respondents mentioned the social housing sector as a key development. Some said that multiple-site developments at the domestic scale such as social housing and rent-a-roof, and domestic PV more generally would pose greatest risk to the FITs budget and that these sectors needed proper regulation to protect consumers. Others felt that of social housing installations announced, only 10-15% would be completed, and that only a few schemes have actually progressed to finalisation. Supporters said that this type of innovative financing of domestic installations was crucial to overcoming difficulties in accessing finance and enabling wider participation by householders in FITs (including those on low incomes).

85. In terms of the large scale PV pipeline and what could be built before 1 August, respondents' opinions were mixed. Some felt that the Government has overestimated potential uptake - that very few large-scale projects have been installed or are currently under consideration. Planning and finance barriers would also act as natural brakes. Speculation on the number of projects in the planning system was seen as an unjustifiable reason for altering tariffs, particularly given the wide range of views on the amount of large-scale solar estimated to be ready to be built before 1 August. For example, various respondents to this question noted that between 25 MW and

150 MW of larger scale solar PV was under consideration in one county alone.

86. Respondents also provided details on supply chain issues ranging from reported growing interest in installing small commercial and domestic systems, installers now dealing direct with manufacturers, and a shortage of workers driving up labour costs.

87. Some respondents reported great interest in community schemes. They stressed the need to recognise that community models of funding and management are more expensive than private models.

88. Some respondents pointed to overlaps with other policies which affected uptake of solar PV under FITs, particularly for new homes. For example, a few respondents stated that Housing Associations had not been able to receive FITs for affordable housing due to rules governing the combination of FITs and grants. There was also mention of tax policy changes restricting uptake.

Impact of Fast-track

89. Most respondents felt that the proposed Fast-track tariffs would lead to substantially reduced uptake of solar PV systems larger than 50 kW (especially commercial rooftop and ground mounted installations) and/or lead to investment moving below the 50 kW threshold which would mean fewer and/or smaller community schemes. Others went further to say that the uncertainty and mistrust created by the review will have a negative impact on the entire scheme. Finally, there are views that there will be an investment hiatus until tariffs resulting from the comprehensive review are finalised. It was suggested that the uncertainty had put investment on hold or cut off interest completely – impacting on demand, financing, supply chain, academia, investment in skills and employment, and innovation.

90. Some respondents provided evidence on FITs financing. Some reported that the cost of finance had increased and that investors' interest had declined since the announcement of the review, including the withdrawal of bank finance from the sector, citing unacceptable political risk in the light of long lead in times for development. Others raised a range of points: that paid-for installations would not achieve wider penetration without green loans; and that large investors were not the typical beneficiaries from large-scale FITs, arguing that typical equity providers were firms which aggregate retail investors.

Other comments

91. The most frequently raised point was the impact on trust and investor certainty that the review has had – not only on solar tariffs or on the non-domestic sector, but across the board and across policies (e.g. including domestic investors and RHI) - it was argued that the impact will be felt for years to come. Respondents stressed the need for a stable regime and a longer-term approach.

92. Also frequently mentioned was a comparison with other European FITs schemes, primarily to say that: the UK should adopt an automatic degression mechanism such as that used in Germany, and that uptake under the Great Britain FITs scheme has been miniscule compared to uptake in other countries. Some argued the case for quotas/caps and auctions.

93. Many were of the view that community buildings, public sector buildings and not-for-profit organisations should be exempt from the fast-track proposals and/or tariffs for these groups should be considered separately from tariffs for the commercial sector.

94. Many mentioned the wider benefits to PV deployment e.g. jobs, community benefits and the benefits of distributed generation e.g. through avoided transmission and distribution costs. A few respondents suggested that the spending envelope for FITs was insufficient to support anything other than a cottage industry.

Government response

95. We have considered responses received to this question and, insofar as this relates to the fast-track consultation proposals, have reflected on it in our analysis of questions 1 to 3. The wider evidence on the market will be considered as part of the comprehensive review of FITs.

Question 5

Do you agree or disagree with the proposed new tariff bands and tariffs for farm-scale AD? Please provide evidence to support your view. We would be particularly interested in quantitative evidence of the capital and operating costs of farm-scale schemes.

Views on the proposal

96. There were 306 responses to this question. 47% agreed with the proposed new tariff bands and tariffs for farm scale anaerobic digestion AD.

97. Of those who disagreed (44%), by far the most frequent comment was that the new rates would not be high enough to make farm-scale AD commercially viable. Several respondents commented that the proposed rates did not keep pace with inflation. Some had investigated AD or had experience of using it and quoted quantitative evidence demonstrating the difficulty of making AD viable at the rates proposed.

98. Some respondents highlighted other barriers to introducing AD which would not be tackled by the new tariff bands and tariffs. There was a problem accessing finance; large plants have difficulty getting planning permission; it is complex and difficult for farmers to install and run; the target 8% IRR is too low.

99. Others commented on difficulties with the scheme itself: the figures did not work for those using cattle slurry (although slurry could be inefficient); there should be payment for the energy used to heat the digester; there were issues with the reliability and cost of feedstocks; it should be expanded to cover cooking oil and sewage; the rules regarding combination of FITs and grants also discouraged uptake. Several thought FITs should be linked to the Renewable Heat Incentive.

100. There was some concern that the proposed new bands and tariffs would encourage the very largest plants, which would consume the budget and encourage the production of energy crops at the expense of food production and the development of a market in transporting waste. In this context, the higher rates paid in Northern Ireland were highlighted, with concern that this would encourage transport of waste across the UK. Conversely, a couple of respondents thought more should be done to encourage large scale farm plants. Some respondents, thought “farm scale” needed to be defined and that farmers should have to use a certain

percentage of animal slurry or be limited to using waste, rather than energy crops, as feedstock.

101. Others thought farms should not be using AD at all. Several thought PV were a better technology option for farmers. Some said the waste should be used as a fertiliser and others that dry fermentation was a better system. There were also some concerns about the costs to consumers and the safety risks citing evidence of an explosion at a plant in Germany.

102. Of those who agreed, several highlighted similar concerns: the proposed tariffs were not high enough; they would not tackle the other barriers to uptake; the targeted IRR was too low; energy crops should not be encouraged at the expense of food crops; there was confusion about what "farm-scale" meant.

Suggested alternatives

103. A number of respondents supported the following proposal:

<table>
<tr><th>Feedstocks</th><th>0-100 kWe</th><th>100 kWe – 250 kWe</th><th>250 kWe – 500 kWe</th><th>500 kWe – 5 MWe</th></tr>
<tr><td>Plants taking wastes</td><td colspan="3">11.5 (irrespective of size)</td><td rowspan="3">9.0 (irrespective of feedstock)</td></tr>
<tr><td>Plants with SR2010 No16 environmental permits or T24 or T25 exemptions using at least 20% by volume farm manure</td><td>23.5</td><td>17.5</td><td>14.5</td></tr>
<tr><td>Plants with SR2010 No16 environmental permits or T24 or T25 exemptions but no manure</td><td>17.5</td><td colspan="2"></td></tr>
</table>

104. Separately there was further support for a stepped approach to farm-scale AD tariffs, retaining the existing bandings with 14.5 p/ kWh being paid for the first 500 kW of capacity and then 11.5p/ kWh up to 5 MW.

Government response

105. We recognise that the majority of respondents agreed with the principle of increasing the tariffs for AD plant of less than 500 kW but also recognise that many of those agreeing and disagreeing did so on the basis that they felt that that the tariffs should be much higher than those proposed. We have considered all the responses received but are not persuaded in favour of the alternative tariffs proposed. For example, the proposal set out above of 23.5p/ kWh for installations of less than 100 kW would result in a tariff 65% higher than the consultation proposal and more than double the original tariff for an installation of this size.

106. Whilst some evidence has been provided in support of alternative tariffs, this is not sufficient to justify that such a dramatic change would continue to deliver the target 5 - 8% return on capital envisaged by the FITs scheme and associated state aid clearance, or provide value for money to consumers.

107. Additionally, the concerns about the apparent underperformance of FITs for smaller AD needs to be seen against the backdrop of slower uptake rather than no uptake at all, and the wide range of other potential reasons for slow uptake described in response to question 6.

108. Nonetheless, whilst the proposed adjustment to the tariffs themselves did not attract much support, the principle of increasing tariffs did. On that basis, we continue to believe that there is a case for adjusting the tariffs in the manner proposed in the consultation. Therefore, subject to any necessary state aid approval from the European Commission and the Parliamentary process set out in the Energy Act 2008 we will be implementing the following new tariffs for AD installations of 500 kW or less:-

Band (kW TIC)	Generation Tariff (p/ kWh)
• **250 kW**	14.0p/ kWh
>250 kW – • 500 kW	13.0p/ kWh

109. The comprehensive review of FITs provides a further opportunity to consider whether these tariffs are sufficient, particularly in the light of the forthcoming AD strategy.

Question 6

Do you have any other views and associated evidence on the slow uptake of farm-scale AD under FITs to date?

Views on the proposal

110. There were 171 responses to this question.

111. There was considerable criticism of the government's review of the FITs rates after less than a year and respondents said that this had led to uncertainty and reduced investment. Given the long payback period, people would not invest if they thought the rules might change in that period. Others thought there was a lack of awareness of AD. It was suggested that the government's focus had been on the quicker and easier returns from PV and it now needed to do more to promote AD. Some argued that best practice for installing and operating AD plants needs to be more widely disseminated with support for developing installer skills and businesses and customers. This will be included in Defra's forthcoming AD strategy. To combat this lack of trust in government and limited awareness, several respondents suggested the need for clear examples to be promoted by an independent body, such as the Carbon Trust, which would give farmers and investors accurate, independent and independently verified information.

112. Several respondents said the current AD tariffs were not commercially viable, with capital costs too high to provide a reasonable IRR, particularly given the work and risk involved and then the time taken to recoup investment. It was difficult to raise bank funding with the poor levels of return, the risk of changes to rates and the fact that this was unproven technology. Smaller units were finding it particularly hard. There was a specific complaint that the paperwork required to meet the PAS 110 standard had added £600,000 to the capital cost on an AD plant by stating that all feedstocks should be pasteurised.

113. Few replies proposed a specific new tariff level although those mentioned included 26.7p/ kWh and 20p/ kWh for plants of 100 kW and below.

114. Other financing issues raised were the confusion over the interaction of FITs with other farming subsidies and other sources of funding. It was suggested that the European Regional Development Fund should be directed at AD technology or that tariffs should be raised under the RHI rather than FIT, while others argued that both FIT and RHI should be considered in

support of the same project. Grant aid should also be available. Raising finance was often difficult because of the impact of the rules governing the interaction of FITs and grants including the application of the EU de minimis rules and the lower threshold allocated to the agricultural sector.

115. Several respondents noted that AD was new, or niche, technology and as such, time was needed to allow momentum to grow. At present, it was hard to get good advice on build costs with some arguing that a lack of experience and standardisation gave a perception that the technology was complex and others saying that the technology was complicated and specialised and there were concerns about its reliability.

116. Planning was raised as an issue with several replies mentioning that AD applications were unpopular in communities. A large number of respondents felt planning bureaucracy was a factor in the slow uptake of AD, with criticism of the high cost, length of time and complexity of planning and permitting regimes. Several respondents estimated that it took around two years and around £200k to receive planning and EA permits. Both large and small scale developments had faced problems. There was also criticism that the Government had not introduced permitted development rights when proposed in 2009. Other respondents mentioned regulatory issues on the use of food waste and others on importation of feedstock, including that the latter required a change of use planning application form from agricultural land use to waste management. There was a range of suggested solutions included giving priority or exemption to brownfield sites. Also, setting a threshold defining farm-scale AD (up to a certain size of installation) as a diversification activity and therefore not needing a change of use to waste management. A threshold for the amount of feedstock being imported for this purpose might also need to be imposed.

117. Several replies suggested that AD was primarily a waste management tool and only produced energy as a by-product. Planning policies and control measures were needed to enhance the value of using AD for waste management (using regulation and reward) in combination with a higher FIT.

118. A range of other issues were raised including the reliability of supply, the price of feedstock and the logistical difficulties involved in feedstock delivery and handling. There were suggestions that untapped agricultural and food waste resource could be used as feedstock. The use of animal waste might distort farming practice. However, others argued that on-farm AD plants, at least, should only use feedstock arising on the farm or from local farms to meet the environmental permitting regime. There should be a high rate for AD from animal wastes alone.

119. There were a number of issues raised around energy. Several respondents made the point that connection to the grid was expensive and slow. The following additional points were made:

- Many waste streams and all animal slurry lacks energy, except poultry manure. The majority of the UK poultry manure is already incinerated to generate electricity, so there is no problem for AD to solve for poultry keepers.
- Modification to eligibility criteria for AD to allow production and use to be decoupled, using a gas grid. Also, the FITs scheme and introduction of RHI will make installation of onsite CHP at an AD plant economic.
- The Government should consider whether proposed tariffs incentivise biomethane injection to the gas grid and at what scale; how much they encourage biogas to be used on site via CHP etc and whether an associated district heat tariff uplift would be helpful.
- AD needs a source of fuel that can be guaranteed for a 20 year period; that is why supply contracts are so important yet take time to put in place as well as sourcing the actual fuel. Most farm scale projects seem to be just to provide electricity to the grid, and be a way for financial institutions to have a high yielding investment. It would be better to link such schemes to large energy users, to lessen the extra load on the grid, and allows profitable concerns to contribute via current equipment depreciation tax rules.

120. A few respondents suggested the slow uptake of AD was due to opposition to energy crops or the need for further work to demonstrate the economic viability of AD without the use of energy crops. Others said that the “no energy crop” policy was proving a barrier to funding as investors were looking for 80% certainty of feedstock costs. A further point made was that planning policies should make clear AD was for sustainable waste management and that proposals which relied heavily on dedicated energy crops should be considered dedicated biogas production plants and should not normally receive the relatively high levels of support accorded to AD.

121. Land availability was identified as a problem by a handful of respondents, with the identification of suitable sites difficult due to traffic generation and the cost of build. There was a role for Councils here. There was also concern over the limits imposed on the size of AD plants. The recently announced threshold of 200 kW under the RHI would further restrict uptake. Where AD plants of much greater than 500 kW had been proposed, they had been turned down by planning authorities leading to adverse publicity. Installers needed guidance to produce cost-effective smaller units or source such units since AD levels did not match up with the existing technology.

122. It was mentioned that while dairy farmers were interested in AD, they had less space and, for the smaller dairy farmers (150 cow herd), fewer resources to pursue AD at current or proposed tariffs. The situation was further complicated by the reduction in dairy herds due to poor market conditions and there are also other conflicts in keeping animals outside during the winter months and the impact of AD on the need to use artificial fertilisers. These meant that AD would be of greater interest for larger dairy farmers using factory farming methods. The technology also offered little incentive for pastoral farming since for beef and sheep farmers, farm manure, straw and silage were all essential commodities for farm use and while dairy farms would be happy to dispose of their slurry via biodigestion, they had nothing to mix with it.

123. A handful of replies noted that livestock wastes offered much lower returns than commercial wastes and energy crops. This should be reflected in the payment rate. Equally, if the government wanted to increase the use of AD for slurry management this was unlikely to be achieved simply through a financial incentive aimed at energy generation alone. Finally, a small number of respondents suggested that the government should leave AD and focus on solar “farms” as they were popular, cheaper, had less of an impact on the environment and were more popular with communities.

Government response

124. The majority of reasons cited for the slow uptake of AD plants of less than 500 kW under FITs, are not directly related to FITs but concern a wide range of other issues such as planning, access to capital and the wider Government strategy for AD. In June 2011, the Coalition will be publishing its AD Strategy which should help in identifying these and other issues and considering possible ways of addressing them.

125. In the meantime, the comprehensive review of FITs provides an opportunity to consider any FIT-specific issues for AD as well as considering how best FITs can support delivery of the wider strategy for AD.

Question 7

Do you consider that controls are necessary to prevent the wholesale expansion of energy crops for AD? If so what do you consider to be the best way to implement these controls to be considered in the comprehensive FITs review?

Views on the proposal

126. There were 284 responses to this question. 57% agreed that controls were necessary to prevent the wholesale expansion of energy crops for AD. Many of those who agreed that controls were necessary cited the need to avoid energy crops being grown on land suitable for food production.

127. Of those who disagreed (32%), some said that some energy crops were needed to make AD viable and that they could be grown as part of a normal rotation. They recommended that the tariffs should be set to encourage small scale farm based production which would obviate the need for controls. Also, a cap could be set on maize-fed capacity to avoid the sort of expansion that had been seen in Germany.

128. Several respondents thought that controls were unnecessary because market forces would dictate the crops farmers produced. Others maintained that only a small amount of land would be taken out of production and that there was no evidence that there would be a problem. There was some concern that introducing controls at this stage would stifle the new industry and suggestions that the situation should be kept under review. It was pointed out that the production of energy crops was reversible i.e. growing the crops was not permanent change of land use.

Suggested controls

129. Many respondents emphasized the need to get the rates right with incentives for waste organisations to get involved and higher rates for smaller farm plants and those disposing of organic waste. Some thought the planning system was the key to ensuring that an inappropriate shift to energy crops did not occur.

130. Among those who advocated controls, 12 stressed that there should be rules on what types of feedstock could be used and that there should be limits on waste processing. It was also suggested limiting the size of AD plants to 50 kW.

Other comments

131. As with Question 5, a few respondents recommended that other waste should be allowed for farm based AD. There were requests for a definition of energy crops and it was pointed out that there were currently no controls for crops grown for biomass or biofuels.

132. There were a few comments related to the environment and biodiversity, suggesting AD decreased biodiversity whereas PV encouraged it. Environmental constraints could be built into RHI. There were several references to learning from the schemes introduced in Germany and Sweden.

133. Also highlighted was the need to ensure that the market for animal feed did not collapse if crops were used for energy as this would damage the livestock industry.

Government response

134. We will consider these responses as part of the comprehensive review of FITs, including the need for controls and the vehicle for delivering these controls. This may be internal to the FITs scheme or may involve other regulatory regimes e.g. environmental permitting.

Question 8

Call for evidence on comprehensive review

Analysis

135. Question 8 of the fast-track consultation asked for any suggestions or thoughts on the scope of the comprehensive review. The deadline for responses to this question was Tuesday 12 April. 260 respondents commented on this question.

136. Responses covered a broad range of issues that should be within the scope of the comprehensive review. These fell under the following broad headings which are all within the scope of the comprehensive review:-

1. Objective and role of FITs
2. Scheme reviews
3. Tariff levels and design
4. Spending Review commitment and levy control framework
5. Degression
6. Eligibility
7. Accreditation and certification
8. Administrative and regulatory arrangements
9. Interaction with other policies

Government response

137. We are very grateful for the effort that respondents put into formulating their suggestions under this section. We are now considering these issues in more detail and are intending to consult on more detailed proposals over the summer. As set out previously, our intention is that the review will be completed by around the end of the year, with tariffs remaining unchanged until April 2012 (unless the review reveals a need for greater urgency).

138. We understand that all stakeholders require information regarding the future of the scheme as early as possible and will work provide this information in a timely manner.

Annex | List of Respondents to the Consultation

#	Name
1	11kV Limited
2	21st Century Solar Ltd
3	3R Energy Solutions LTd
4	A Ferrand Stobart & Associates
5	A member of WINGS a local community group representing residents of Diseworth
6	Abbey Group
7	Abingdon Hydro
8	ACEVO
9	AEE Renewables plc
10	Aether Energy Ltd
11	affordable housing solutions ltd
12	Agriculture and Horticulture Development Board
13	AGRI-GEN LTD
14	Alder King LLP
15	Alectron Investments Limited
16	Allied Renewables Limited
17	AlphaWatt
18	Alpheon Energy
19	ANGLIAN WATER
20	Ardenham Energy Ltd
21	Association for Consultancy and Engineering (ACE)
22	Association for Public Service Excellence (APSE)
23	Avalon Energy Ltd
24	Aylesbury Vale District Council
25	Azur Solar Systems Ltd.
26	BADOT Ltd
27	BAE Systems Military Air & Information
28	Bath Community Energy
29	BEAT
30	Belmont Farms ltd
31	Berwick Communtiy Trust
32	BG Renewables Micro-generation Consultants
33	Bolitho Estates
34	Bovis Homes Ltd
35	Braintree District Council
36	Branton Agri Service
37	Brighton & Hove City Council
38	Brighton Energy Co-op
39	Bristol Water plc
40	British Council of Shopping Centres (BCSC)
41	British Hydropower Association
42	British Institute of Facilities Management
43	British Private Equity and Venture Capital Association
44	British Property Federation
45	buro happold
46	Business Services Association
47	C Ris Energy
48	Caber Energy Ltd.
49	Cadland Renewable Energy Ltd
50	Calderdale Council (Economy & Environment Scrutiny Panel).
51	Calor Gas Limited
52	Campaign for National Parks
53	Campaign to Protect Rural England
54	Campaign to Protect Rural England (CPRE) Devon
55	Carbon Life Ltd
56	Carillion Energy Services
57	Carlton Power Limited

58	CEI Ltd
59	Central Association of Agricultural Valuers
60	Ceres Power Limited
61	Cernunnos Homes
62	CES Ltd Economic and Social Research
63	ch4e Ltd
64	Chillesford Lodge Estate
65	Clynfyw Countryside Centre Ltd
66	CO2Sense Limited
67	Combined Heat & Power Association
68	Commonwork Land Trust
69	Constantine Parish Council
70	Construction Products Association
71	Coppathorne farm / Chowill plant hire
72	Cornwall Council
73	Cornwall Heat and Power Systems Ltd
74	CORNWALL POWER LIMITED
75	Corsham Community Energy Ltd
76	Cotswold District Council
77	COUNTRY LAND AND BUSINESS ASSOCIATION
78	Countryside Renewables Ltd and Conergy GmBH (joint response)
79	Crediton Women's Environmental Network
80	d3 associates
81	DC Associates Ltd
82	Devon County Council
83	DJK Renewables
84	DOC Electrical & Solar Solutions Ltd.
85	Dow Chemical Company Limited
86	Dwr Cymru Welsh Water
87	E.ON
88	E.S.P.
89	Earth Trust
90	East Riding of Yorkshire Council
91	Ebico Limited
92	EC Energy Solutions Group Ltd
93	Eco Environments Ltd
94	Eco2 Solar Ltd
95	Ecosys
96	Ecotricity
97	Ecovironment
98	Ecovolt Limited
99	EDF Energy
100	EEF
101	EGNISCO
102	EHS Projects
103	Electrical Contractors Association
104	Element Power
105	Elgin Energy EsCo Ltd
106	eMeter Corporation
107	Emsrayne Ltd
108	ENER-G Combined Power Limited
109	Energy Resources Spa
110	Enfinity UK LImited
111	Engenius Limited
112	Envirance Partners LLP
113	Envirolink
114	Environment Protection Group
115	Environmental Association for Universities and Colleges
116	Environmental Change Institute, University of Oxford
117	Environmental Services Association.
118	ERIKS UK, Industrial Distribution
119	ESTA (Energy Services and Technology Association)
120	e-Tricity ltd
121	Eurostar International Limited
122	Evans Property Group
123	Farm Power Generation Limited
124	Farm Renewables Ltd
125	Feed-In Tariffs Limited
126	Fewsters Ltd

127	Field Barn Farm
128	Food and Drink Federation
129	Foresight Group
130	Forum for the Future
131	Forward Energy Design LLP
132	Friends of the Earth (FOE)
133	Future Biogas Limited
134	G R Edwardes Ltd
135	Gardner Asset Management llp
136	Gentoo Group
137	Geo Green Power Ltd
138	GHE Solar
139	GHF Energy Limited
140	Glendale Power
141	Go Green Electrics Ltd
142	Going Solar LLP
143	Good Energy
144	Greater Manchester Chamber of Commerce
145	Green 2020 Ltd
146	green energy generation
147	Greenacres Energy Ltd, Biogas Hochrieter U.K, and Core North West
148	GreenPower
149	Greenshop Group
150	Grounds & Co
151	Grüne Energien
152	GVA
153	Gwent Energy CIC
154	H G & C M Jukes
155	H2OK Systems Limited
156	Ham Hydro CIC
157	Hampshire Cosmetics Ltd
158	Hampshire County Council
159	HARMAN technology
160	Hartlepool Borough Council
161	Heart of Eden Development Trust
162	Heat and Power Limited
163	Hemex LLP
164	Heritage Energy Ltd
165	Herriard Estate
166	HHIC (Heating and Hotwater Industry Council)
167	Higher Hill Farm
168	Highfield School (Liphook) Ltd
169	Holy Trinity Church, Hull
170	Homeco Technologies Ltd
171	HomeSun Ltd.
172	Hybridise
173	Hydroplan UK
174	Idein
175	Imerys Minerals Ltd
176	IMS WindPower/PowerWind GmbH
177	Inenco Group Ltd
178	Ingenious Media
179	INRG Solar Ltd
180	Inspirit Energy
181	Intersevrve Project Services Ltd
182	Island Renewable/Renewable Development Wales
183	Isle of Wight AONB Partnership
184	Isle of Wight Council
185	Islington Council
186	ISRASOL
187	IT POWER LTD
188	J F Temple & Son Ltd
189	J V Energen LLP
190	JLA Recycling Ltd
191	John S Dunne Ltd
192	Johnson Matthey Fuel Cells
193	Jones Lang LaSalle
194	JRW and LE Paynter and Sons
195	juwi Renewable Energies Limited
196	Kaoun Ltd
197	Kencot Hill SOlar FArm
198	Kingspan Limited
199	K-Konsult Ltd
200	KL Technologies
201	Kronos Solar GmbH and Kornos Solar Limited
202	Land and Property Consultants

203	Lark Energy
204	Lawrence Landfill Ltd
205	Leeds Solar
206	Lincolnshire County Council on behalf of Lincolnshire Sustainability Officers Group
207	Liquid Roofing & Waterproofing Association
208	Llanisolar Ltd
209	Local Government Group
210	London Borough of Camden
211	Loughborough University
212	Loundsley Green Community Trust
213	Low Carbon Research Institute
214	Low Carbon Solar
215	Low Carbon West Oxford
216	m03 Power
217	Manchester Airports Group
218	Mentratech Ltd
219	Micro hydro Association
220	Microgeneration Ltd
221	Midsummer Energy
222	MITIE GROUP PLC
223	Mole Valley Farmers Ltd
224	Moog Insensys Ltd
225	Morgan Lighting of Chorley
226	Narec
227	Nation Trust
228	National Farmers' Union
229	National Housing Federation
230	National Oceanography Centre
231	Navitron Ltd
232	Needham Haddrell Ltd
233	New Energy Era Ltd
234	New Wine Trust Ltd
235	Nissan Technical Centre Europe
236	NOMAD - No Menchine Anaerobic Digestion
237	Norfolk Solar
238	Nottingham City Council
239	Oakapple Renewable Energy Limited
240	Octopus Investments
241	Okehampton College
242	Opus Green Limited
243	Osspower Limited
244	Ovesco
245	OVESCO Limited
246	Oxford North Community Renewables Limited
247	P.J., E.M. A.H. & G.V.Wheeler K.W.Hackett
248	Partnerships for Schools
249	Paul Appleby Consultant in the Sustainable Design of Buildings
250	Penhale Farms
251	phoenix greenworks capital
252	Photon Energy Limited
253	Pinnacle Energy Solutions
254	Planet Energy Solutions
255	Plastic Technology Services Ltd
256	Polysolar Ltd
257	Porters Farms (Walpole) Ltd
258	Portsmouth City Council
259	Powersun Ltd
260	Private Energy Development & Management Ltd
261	Proffessional
262	PRUPIM
263	PUREVOLTS LTD.
264	PV FIT Ltd
265	PVFARMS LTD
266	Q-Cells Ltd
267	Quarsol Ltd
268	Queen Mary University of London
269	RCM Partnership
270	Rebi Systems Limited
271	REG Solar Limited
272	Regen SW
273	Regenerco Renewable Energy Ltd

274	Renewable Energy Association & Solar Trade Association (REA/STA)
275	Renewable Energy Incentives Limited
276	Renewable Energy Installations Ltd t/a Solar Harvester
277	Renewable Power Ltd
278	Renewable UK
279	Renewables Direct
280	RES
281	Rocktail
282	Romag Ltd
283	Rotherham MBC
284	RWE Npower Renewables
285	SAT ltd
286	Scottish Government
287	Scottish Renewables
288	Scottish Rural Property and Business Association (SRPBA)
289	ScottishPower
290	SEGRO plc
291	SEPEL
292	Sharenergy
293	Sharenergy Cooperative
294	Sheridan Associates
295	Silicon Vineyard Limited
296	Smart Systems Ltd
297	SmartestEnergy Ltd.
298	SNR Denton UK LLP
299	solar farm services
300	Solar Power Portal
301	Solar Power PV Ltd
302	Solar Powered Services
303	Solar Securities (Group) Ltd
304	Solar South West Limited
305	Solar Spectrum Ltd
306	Solarcentury
307	solarfeedintariff.co.uk
308	SolarGen Services
309	Solarkinetics Limited
310	solarpanelpower (uk) Ltd
311	Solarsense UK Ltd
312	Solartechnics UK Ltd
313	SOLON SE
314	Solyndra International AG
315	South Downs Solar Limited`
316	South Wheatley Environmental Trust
317	Southern Solar Ltd
318	Southwood Park Ltd
319	SPV Partners
320	SSE
321	Stephen Cirell Consultancy Ltd
322	Stratford Energy Solutions Ltd
323	Sufficient Energy
324	Sundog Energy Limited
325	Sundog Power Ltd
326	Sunstroom Energy Ltd
327	Surrey County Council
328	Susenco Ltd (on behald of Joju, Oxford Environmental Change Institute and Ecogage)
329	Sustainable Crediton
330	Sustainable Environment Foundation
331	Sustainable South Brent Community Energy Group
332	Sustainable Youlgrave
333	Syzygy Renewables
334	Tanner & Tilley
335	Tata Steel UK Ltd
336	TEEC
337	Thames Valley Energy Ltd (and on behalf of partner Local Authorities)
338	The Anaerobic Digestion and Biogas Association (ADBA)
339	The Carbon Action Network
340	The Green Company
341	The Low Carbon Economy Ltd
342	The Micropower Council
343	The National Association for Areas of Outstanding Natural Beauty

344	The Power Exchange
345	The Society of Motor Manufacturers and Traders Limited.
346	Toyota Manufacturing UK Ltd
347	Transition Eynsham Area
348	Trisolar Limited
349	UK Business Council for Sustainable Energy (UKBCSE)
350	UK Green Building Council
351	UKLPG
352	University of East London
353	UPM Kymmene (UK) Ltd, Shotton Paper
354	Viridis Energie Consultants
355	Warmer Heating Limited
356	Waste Recycling Services Partnership
357	Water UK
358	Wealden District Council
359	Wedlake Bell LLP
360	Wessex Solar Energy
361	West Country Renewables Ltd
362	West Oxford Community Renewables (WoCORE)
363	West Oxfordshire District Council
364	Westmill Solar PV co-operative
365	Which?
366	Wilkinson Hardware Stores
367	windcluster
368	Windflow Technology Ltd
369	WIRSOL SOLAR UK Ltd
370	Woodborough Park
371	Wooodford Heating Ltd
372	Worcester Renewables Ltd
373	Ynergy Ltd
374	Your Power Ltd

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