

Immediate release

On-site renewable industry at cliff edge

The Renewable Energy Association, representing the renewables industry, expressed astonishment and concern at the closure of Stream 2 support for PV under the Low Carbon Building Programme (LCBP).

Only four days after the Government laid out plans for a low-carbon revolution, at the launch of its new low-carbon industrial strategy, it announced that the funding stream for the most popular technology, solar power, had run out. No applications made since the 26 February are permissible and the whole stream is due to end in June.

In December last year an extra £7 million was allocated to the PV stream of the LCBP to tide it over until the programme closed. However this funding had all been allocated by the 26 February 2009. A further £12 – 15 million still remains in the LCBP budget and at the present rate of spend it is predicted that £8 million will remain unspent by the end of the programme. The Department of Energy and Climate Change (DECC) have said that Phase 2 will not be extended and any remaining funds will be sent back to the Treasury. The REA recommends the immediate reallocation of remaining funds on a first come, first served basis so all microgeneration technologies can gain maximum benefit.

Having brought this problem to the attention of DECC in early Feb the Association was surprised that nothing had been done to prevent the PV funding running dry.

The end of the LCBP will leave many REA members left in limbo with no funding as the recession bites. The REA is calling for Government to urgently respond to the following concerns:

1/ Status of the LCBP. The REA has proposed that the programme could be pumped up to be used as a springboard for the implementation of tariffs [1.]

2/ That projects being constructed in the coming year will be eligible for tariff support. The REA is calling for Government to confirm that renewables projects built between now and the onset of tariffs will be eligible for tariff support.

3/ Bring forward the tariffs. It is imperative that the tariffs are implemented as soon as possible and that the renewable electricity and heat tariffs are introduced together by 2010 at the latest.

Otherwise the industry is looking at a serious funding gap and contraction as some firms are unable to stay afloat.

Philip Wolfe, REA's Director General said,

"This latest disaster in the Low Carbon buildings Programme is completely at odds with the Green New Deal we hear so much about.

We are talking about relatively small sums to support UK manufacturing, technological innovation and local jobs. This is an industry with a very bright future and a key contributor to the low carbon future we are aiming for."

ENDS

For further information or to request an interview, please contact:

REA switchboard: 020 7925 3570, or

Philip Wolfe	Leonie Greene	Ray Noble
Director General	Head of External Affairs	REA PV specialist
Mob: 07971 786 417	Mob: 07932 720 091	Mob: 07979 760 277
E: pwolfe@r-e-a.net	E: lgreene@r-e-a.net	E: rnoble@r-e-a.net

Notes for Editors:

1. REA's New Green Energy Deal proposals for 4 key sectors can be seen in full at <http://www.r-e-a.net/document-library/press-releases/0903GreenNewEnergyDeal.pdf>
2. The Low Carbon Building Programme currently provides modest support for decentralised technologies. The REA proposes that rather than The Low Carbon Building Programme coming to an end in the next month, the Programme is ratcheted up and used as a springboard to prepare the UK industry for the introduction of Tariffs in 2010/2011
3. The government have committed to Tariffs for renewable heat, renewable power and renewable gas under the Energy Act 2008. The Tariff system has been used successfully around the world to massively increase renewable energy. Tariffs offer a simple fixed payment for every unit of renewable energy generated.
4. The Renewable Energy Association is the UK's largest renewables industry association with nearly 600 members, including major UK energy companies and many independent renewables producers. The Association is active across the full range of renewable energy technologies and applications.