

## **REA response to Call for evidence to identify UK interest in existing EU trade remedy measures**

The Renewable Energy Association (REA) is pleased to submit this response to the above consultation. The REA represents renewable electricity, heat and transport, as well as Electric Vehicle companies and Energy Storage. Members encompass a wide variety of organisations, including generators, project developers, fuel and power suppliers, investors, equipment producers and service providers. Members range in size from major multinationals to sole traders. There are around 550 corporate members of the REA, making it the largest renewable energy trade association in the UK.

### **Summary**

As the UK's largest renewable energy trade body, the REA has the below positions on current EU trade remedy measures. In summary our position is as below, for the reasons outlined in this response:

- ***SUPPORT the continuation of all biodiesel and bioethanol related trade remedy measures currently in place***
- ***DO NOT SUPPORT the continuation of measures 'Solar panels (AD) (IR) AD590' and 'Solar panels (AS) AS594', currently in place***

### **Call for evidence to identify UK interest in existing EU trade remedy measures Biodiesel and Bioethanol**

The Renewable Energy Association has a "sector group" covering renewable fuels (the Renewable Transport Fuel Group – RTFG). This comprises companies that work in the production, distribution and supply of transport fuels including bioethanol, biodiesel and biomethane. All of the domestic manufacturers of bioethanol (i.e. Ensus, Viverno and British Sugar) and one biodiesel manufacturer (Olleco) are members of this group.

We are aware that the above companies have responded individually to the consultation. They have provided you with company-specific statistical information which the REA does not have access to. This response does not summarise public domain data (i.e. from the RTFO statistics), as this information has already been provided.

***We would like to make clear that the REA supports the continuation of all the biodiesel and bioethanol related trade remedy measures currently in place.***

Maximising UK production of these fuels helps with the UK's balance of payments, which has the potential to worsen significantly if our domestic production is reduced. This is already poor, as the majority of fuels / feedstocks required by fuel suppliers to meet their Renewable Transport Fuels Obligations are currently imported. The Renewable Transport Fuels Obligation (RTFO) is increasing substantially following an amendment to the policy taking effect from the middle of this month. The government's own analysis suggests the proportion of fuels and feedstocks which are

imported is likely to increase. The central scenario in relation to imports set out in the [Cost Benefit Analysis](#) undertaken for the amended RTFO was halfway between the optimistic scenario (with the same proportions as currently imported, i.e. around 3/4) and the pessimistic scenarios (where 100% feedstocks/fuels were imported).

In 2016-17 UK feedstocks accounted for 27%. This suggests that around 15% might be UK sourced in future. Figures calculated by an REA member suggest that UK motorists are likely to fund more than £8 billion in biofuel feedstock imports in the 2018 – 2033 timeframe.

The UK has around 900 million litres of Bioethanol production capacity although, due to market conditions over the past few years, much of this has been off-line. For example Ensus has been offline for 17 months out of the last 28. This indicates how important it is not to do anything to undermine these companies' operating environment.

As well as improving the UK's balance of payments the production of these fuels has various social and environmental benefits, outlined in the table below.

Benefit	Bioethanol	Biodiesel
Employment (direct in production facilities themselves)	280	710
Agricultural benefits	<ul style="list-style-type: none"><li>• Market for low grade wheat</li><li>• Produces animal feed, which reduces need to import soy-based feeds</li></ul>	
Waste management		Utilises otherwise hard to manage wastes, eg category 1 tallows, waste cooking oil, food waste and congealed fats from the sewage system.
% GHG saving relative to non-renewable fuel	83 – 92%	c.53%

#### **EU Trade Measures Solar panels (AD) (IR) AD590 and Solar panels (AS) AS594**

Although due to expire on 3<sup>rd</sup> September 2018, **the REA wants to make it clear that the REA and its members, does not support the imposition of these measures and would strongly advocate that any attempt by the EU to continue with or re-establish such measures should not be replicated here in the UK.**

The window of opportunity has been missed to establish mass production of solar modules here in the UK or in Europe. Those German Solar companies that lobbied for these trade measures, namely Solarworld, have now gone into liquidation, and have caused all EU Countries, over the last few years, to pay more for Solar modules than

the rest of the World. In the UK this has caused the UK Solar market to stall. This market has, and will, continue to be dominated by manufacturers in the Far East who have the manufacturing scale to continue to drive down costs. Those UK module manufacturers producing bespoke BIPV modules, like Romag, would also benefit from the reduction in the cost of cells following the removal of tariffs, as they would have access to lower cost cells thus making their bespoke product solutions more attractive to specifiers.

Lower cost solar panels resulting from the removal of tariffs will help speed solar's journey to grid parity leading to more installations taking place and most importantly creating and supporting jobs in the sector, the majority being in the design and installation of solar systems.

The global price of Solar continues to fall each year, as a result of increased manufacturing in the Far East, and the EU and the UK should recognise the long term value that Solar has to offer in terms of providing the lowest cost and secure supply of "clean" electricity, which will be particularly important as the UK moves to an increasingly electric future for both buildings and transport.

**REA, April 2018**