

BUILD ON PROGRESS - MANIFESTO FOR GROWTH



The recommendations below represent the real business priorities of the renewable energy and clean tech industry.

Following consultation with other sector stakeholders and member companies that are on the ground actually building the change we want to see, REA has identified these key recommendations that will move the UK further towards an energy system that is more affordable and more secure.

The REA see these priorities as being critical to the UK's ability to thrive as a global, 21st Century trading nation in an era of international decarbonisation.

INDUSTRY-LEVEL RECOMMENDATIONS

- 1. Recommit support for the Climate Change Act and the upcoming Carbon Budgets** to give businesses the confidence to invest for the long-term.
- 2. Commit to publishing a comprehensive Clean Growth Plan by this year's Autumn Statement which lays out clear pathways to meeting our 4th and 5th Carbon Budgets** so that renewable energy and clean technology businesses and investors can have the clarity they need to build new low-carbon infrastructure.
- 3. Commit to the transposition of all EU energy and environmental regulations into UK law at the point of departure from the EU, including a meaningful price for carbon,** thus ensuring alignment with the Internal Energy Market, and maintaining economic stability.

REA SECTOR-SPECIFIC RECOMMENDATIONS

- 1. Lay out a clear plan in 2018 to reduce carbon emissions from heating and cooling by 40% by 2030 and achieve our 2020 renewable energy target.** This should include regulations, tax measures, and funding mechanisms that supports immediate investment in a range of renewable technologies and puts the UK on course to meet our carbon budgets.
- 2. Commit to annual Contracts for Difference auctions in the next parliament.** Government can reduce costs for consumers by including a route to market for the cheapest renewables such as solar, onshore wind, and biomass.
- 3. Support decentralised onsite renewable power and heat production, as well as affordable, efficient low-carbon homes** either through a supportive taxation and regulatory regime or the extension of the Feed-in Tariff to grow regional and community-level economies.
- 4. Commit to increasing the Renewable Transport Fuels Obligation to 10% and set a crop cap that maintains UK bioethanol production** to strengthen the Northern Powerhouse by supporting manufacturing, employment, and farming in the North.
- 5. Invest in a strategic system of intelligent electric vehicle charge points that allow vehicles to actively balance the grid** to grow domestic manufacturing and lay the groundwork for future exports.

6. Enact ambitious regulatory upgrades that create a competitive market for energy storage and flexibility technologies to improve energy security and grow our technology exports.

7. Create a national waste plan that significantly minimises waste generation, improves the re-use of waste, recycling rates, and reduces waste exports to create a more nationally resilient and efficient economy.

WHY IS THIS IMPORTANT FOR THE UK?

In the past two decades **the UK has achieved extraordinary feats**; over a quarter of our electricity is produced from **renewables**, we have led the world in decoupling growth from carbon emissions, and the sector has **grown to employ over 125,000** in 2015/2016 which could treble in the coming years. Over a million homes and businesses have installed solar PV panels, we have made strides towards decarbonising our heating system, and our transport system is becoming less polluting and more secure as we move towards higher biofuel use and electric vehicles become more widely utilised.

For this innovative British industry to truly grow to its full potential, policy upgrades can deliver real results. There are **rapid global cost declines** for a range of technologies and clear public support for renewable energy of all forms, yet national renewable energy employment and deployment in crucial sectors such as solar and onshore wind is in decline.

More effective management of waste and use of bioenergy can ease burdens on Local Authorities, strengthen the rural economy, and **improve energy self-reliance**. Nascent sectors such as storage and electric vehicles can rapidly develop into sources of employment and manufacturing by introducing key regulatory upgrades and a robust policy framework into the 2020s. **Policy stability overall is critical** to ensure that we grow domestic markets for these technologies. As the UK has a key competitive advantage in manufacturing, IP and services in these areas, a strong domestic market can in turn form the backbone for an array of future exports.

The industry recommendations include three points which represent a critical high-level framework that will **reduce energy costs**, guide the transition to a lower-carbon system, and will increase domestic employment. The additional seven proposals from the REA represent the specific priorities of the sub-sectors of this industry. These recommendations could drive us towards a more **resource efficient, decentralised, and secure energy system**.

With questions or comments please contact;

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MAY 2017