

Solar Forum Meeting

Monday 30th November 2020

Introduction

Session opened by REA staff and REA Solar Forum Chair, John MacDonald-Brown, who noted that business is looking up for solar, and welcomed presenters Transport for London and UK Export Finance.

Recent activities in the Solar Forum

Grid Securities Working Group

British Solar Renewables gave an introduction to the issues at hand and why action is needed.

REA - members want standardisation, greater transparency. Hoping to hold meeting soon for grid security working group.

Government engagement on Solar and Storage in Green Homes Grant (GHG)

REA - GHG is cash to stimulate work. Extended until end of year. There is Government concern about whether they are spending all the money, so that's a good reason for the inclusion of solar. Navigating fine line as there are a lot of subsidies for solar. Not campaigning for subsidy too much, but just pointing to an area of extra money. Energy storage harder to sell, but also struggling more so more in need.

Consultations update

REA – Recently, more information on next CfD auction was published. Solar PV included. Hope for pot 3 for offshore wind. This strengthened supply chain plans, saw an extension of delivery years, and extended milestone delivery dates from 12 to 18 months. Consulted on changing rules for wholesale prices going negative, so no top-ups for generators.

On the disconnection of embedded generation. NG ESO responding to lower generation and demand, exacerbated on lockdown; needed a system to shut down at short notice. Last resort action. REA raised queries in May over lack of clarity on use, and lack of compensation. GC0143 put in as a temporary solution, and now a consultation for a longer-term solution. This was GC0147, which REA responded to, main point was compensation. No deadline for final decision, but hopefully May next

year. Expecting further discussion on this. Register by DNOs for embedded generation in the future.

PAS1879 especially relevant for private suppliers. On Demand Response. Rapid Charging Fund, REA pulling strands together. Been involved on EV side, coming straight from Treasury. Mainly looking at large hubs of chargers, and good hope for crowding in other technologies: EV chargers with batteries, and with PV and hydrolysis. BEIS interested in residential flexibility.

Steering Group elections

We are seeking to elect up to 9 steering group members, hoping to respond more quickly for certain issues and to help steer the Forum on what issues it should focus on, with John MacDonald-Brown as chair. May elect a Vice Chair.

Transport for London presentation

TfL – London’s largest energy consumer. See increase in energy use, relatively constant demand. Renewable Energy Purchasing roadmap; looking to use various lengths of Power-Purchasing Agreements. 2 PPAs in first part of next year; operational (existing assets) and additional (future assets). Developed with stakeholders. Outlines the procurement routes: length of years, volume, use, time scale. Will be technology agnostic. Best advice is to get registered on portal ProContract.

Alongside PPA, TfL Solar PV Private Wire. Enabling TfL direct line to zero-carbon electricity from decentralised sources. Focussed on non-TfL land. Represents up to 64MW of renewable generation on solar generation profile. Supplying TfL with long-term energy (25 years), and giving secure payment for supplier.

Next steps: TfL conducting a market-sounding exercise, including Market Sounding Questionnaire, MSQ going live this week. Including what a good tender could look like. Aim is to understand more of supplier’s expectations, requirements and capabilities.

Question - Are land arrangements planned?

TfL - Looking for partners to find own land. People think TfL own loads of land, not the case, so would be looking for partners and land owners to offer.

John MacDonald-Brown - Hard to get generation in London.

Question - How does this work connect to the Traction Decarbonisation Strategy of Rail?

TfL - Difference between TfL and Network Rail is we are already completely electrified. In competition for space, need to find out in sounding out if the land is there, and if best used by us or others.


Question - Questions around non-tube energy, distributed energy at bus stops and depots?

TfL - Not much scope, don't own depots nor energy supply.

UK Export Finance presentation

UKEF – We're the business development team of UK Export Finance. First export credit agency. Financial support for exporters, has the full weight of treasury support. Mission: ensure no viable UK export fails for lack of finance or insurance, while not operating at net cost to taxpayer. Charge premium for products (no grants nor development agency). Products go through credit due diligence.

Have an Export Finance Manager Network across UK. Also have an International network. Main products are Financing, Guarantees, and Insurance.

 <h2>Our products</h2>		
Financing	Guarantees	Insurance
Win contracts: attractive financing terms for overseas buyers of UK goods and services can help exporters make their offering more competitive	Fulfil orders: help companies access the support they need to fulfil a contract, giving them the confidence to take on more contracts and increase their turnover	Get paid: help companies and investors manage risks in challenging markets, ensuring that they get paid even where the private market is not able to offer insurance
<ul style="list-style-type: none"> • Buyer Credit Facility • Direct Lending • Supplier Credit Financing Facilities 	<ul style="list-style-type: none"> • Bond Support Scheme • Export Development Guarantee • Export Working Capital Scheme 	<ul style="list-style-type: none"> • Bond Insurance Policy • Export Insurance Policy • Overseas Investment Insurance (for investors)

UKEF value proposition: Financing in a range of 60+ currencies. Repayment of 2-18 years, 100% unconditional guarantee on up to 85% of total contract value. Minimum requirement of 20% UK content, global banking relationships, and competitive pricing. MD and AS happy to take questions.

Question - Much funding of renewables overseas?



UKEF - Yes, 2 examples. Funding Taiwanese offshore windfarm, buying from UK. UKEF working in carbon heavy industries, historically was based on make-up of UK exporters. Additional 2 million for clean growth projects.

REA – We'd recommend members talk to them.

Question - to what extent do you interlink with other Gov departments?

UKEF - DIT now (international trade) work with very closely. Part of DIT export strategy, coordinate with sector teams, and at a regional level, and on policy teams. Would like to see more teamwork, but already tightly knit.

Nina Skorupska: Thanks to those from UKEF, good to see they are really stepping up their transition.

Question - asking about the finance for renewable initiatives. Could we get slides?

UKEF - UKEF annual conference coming up next week. Important to acknowledge new product supporter powers: General Export Facility. Banks will use products in different ways.

All thanked for participating and meeting close.