

Solar Forum Meeting Notes

6th April 2021

Attendees:

Members: BDB Pitmans, Bryan Cave Leighton Paisner LLP, Caburn Group, Capitas Finance, Clarion Solicitors, Erova Energy, Flogas Britain, JAMPRO, JBM Solar, Lux Nova Partners, Powervault, Reliagen, Solar Clear, Solecco Solar, Zenobe Energy.

Forum Chair John McDonald-Brown, Syzygy Consulting.

REA Staff Nina Skorupska CBE, Mark Sommerfeld, Daniel Brown and Isobel Morris.

REA Announcements

It was announced that REA's Daniel Brown is leaving the REA and that Mark Sommerfeld, previously a Policy Manager at REA, has been appointed Head of Power and Flexibility. This is one of the four new pillars unveiled under our REA Strategy. Mark introduced himself to all and Daniel said a few words of goodbye.

Updates

- Business Rates Review – a summary of responses was published in the spring, which noted that a large number of respondents raised the concern that the inclusion of renewables and clean tech in the Parts & Machinery Order disincentivised renewables. A full response will be published in the autumn.
- Smart Systems & Flexibility Plan update – Government intends to publish this by the end of spring.
- Grid Securities Working Group update – REA updated that a meeting would be held with ENA to discuss the concerns raised by member. (As of 19 May this meeting has since been held and members have been provided with a list of issues around Grid Securities from ENA on which to feedback)
- 50MW threshold issue – REA is considering whether there is scope to push for revision, as this is an increasingly arbitrary limit for solar as the technology improves conversion efficiency. Member thoughts are welcome.

- New Queue Management Tolerance Periods for Milestones – Greg Triantifyllidis of the Solar Steering Group introduced the issue and explained it to the wider group of attendees. Comments from one member pointed out that the ENA's perspective would be that there is a need to manage the sheer number of projects, but Greg argued that these timelines are simply unrealistic. REA has heard a number of concerns about the Tolerance periods proposed being too short to be realistic for many project timescales. REA is discussing this with ENA and is keen to hear from members. (The ENA has since held a webinar to discuss this and REA is collating member feedback on the issue)
- Next CfD Auction round – confirmed for late 2021 and there have been updates to the CfD eligibility too. Government is planning to hold workshops. REA recently responded to a high-level Government consultation on the CfD's future. (Government has since stated CfD Auction round 4 will be December 2021). A member commented that 'CfDs may not be worth the effort for the commitment required, it should be seen in the context of a subsidy-free environment'.

Future Buildings Standard – Discussion on the Consultation

- REA talked through key elements of the consultation for solar (and energy storage) members – these include the proposed metrics for the interim uplift and the Commissioning & information requirements. REA set out that it favours CO2 as the primary metric rather than 'primary energy' as the Government proposed.
- A member queried what they were actually trying to measure within primary energy. The member suggested that we are gradually moving towards some sort of audit process within corporations on CO2, and this is moving away from that.
- Dr Nina Skorupska CEO pointed out that at the moment the visibility of future energy use from buildings is very limited and this is likely to be one reason for using primary energy as a metric, though this is not as incentivising as CO2 for the metric.
- A member queried whether using primary energy as a metric would actually help the ESO? As the individual audits would always be done as a worse case scenario vs best case scenario, so there would be a huge range in predicted outcomes.
- It was also noted that the primary energy performance metric could be as 'gameable' as CO2 as the metric.

- One member argued that insulation should be looked at first as the metric, and CO2 and primary energy secondly. New builds should be judged around CO2 reduction first.
- Another member noted that they have made similar points regarding other policy areas, where the CO2 impact hasn't been a foremost consideration in policy-making.
- There were no comments on the uplift requirements.
- One final comment from a member at the close of the meeting was raising the superdeduction tax as something that renewable technologies can benefit from – and that solar is specifically mentioned as an included technology. There are some requirements placed on the end-user in order for them to be eligible.
- Another member noted that there is an issue around heat networks and perceived affordability.
- It was noted that the Green Heat Network Fund will be coming forward and that this issue is an ongoing discussion with Government.