



Minutes of the Members Meeting Solar & Energy Storage Forum

Thursday 02nd February 2023

13:00 – 14:30

Online

Attendee List

Please see the attendee list at the bottom of the document.

Agenda

Agenda Item	Lead
1. Electricity Generator Levy – Impact on Solar & Energy Storage	Mark Sommerfeld (MS)
2. Update on Government Policy Workstreams: Net Zero Review, REMA, and Reintroduction of the Energy Security Bill	Jordan Dilworth (JD) & MS
3. Consultations: Levelling-up Bill and Reclassifying Agricultural Land, Future CfDs, proposed changes to the CfD Standard Terms and Conditions, and Capacity Market reform.	JD & MS
4. Grid issues: Cross Trade Association Letter & Electricity (Connection Charges) Amendment	MS
5. 2023 Trends for Solar & Energy Storage	JD

Proceedings



Item	Minute	Action
1. Electricity Generator Levy – Impact on Solar & Energy Storage	<p>The REA started by informing members that the ENA and BEIS had been invited to present at this meeting. Due to a Board meeting and civil service strike, they were unable to make it to this meeting, but they will hopefully attend the next.</p> <p>The REA began by providing an overview of the Electricity Generator Levy (EGL) and the impact it will have on solar & energy storage members (slides 4 – 5), highlighting the key details of the levy, what the REA has done so far, and areas of ongoing concern.</p> <p>One member commented that the REA's argument that the levy must not penalise participation in the market could be strengthened by the fact that, three or four years ago, Ofgem and BEIS decided to increase in-balance pricing limits from £3000 mW/h to £6000 mW/h to ensure maximising the financial incentive to participate. The REA agreed and that they have raised it with Government that they are affecting the market and how people participate within it. The Government are reacting to higher-than-expected revenues, and they want to put something in place that reacts to that situation.</p>	N/A
2. Update on Government Policy Workstreams: Net Zero Review, REMA, and Reintroduction of the Energy Security Bill	<p>The REA provided an overview of Chris Skidmore's Net Zero Review, highlighting recommendations that were relevant to solar & energy storage members, and how the REA planned to engage with the Review team by using it as leverage for some of its recommendations. REA are also working on a joint letter with other trade bodies (slides 6 - 7).</p> <p>One member asked whether there was a breakdown of the 70GW capacity by 2035 by domestic and commercial solar. The REA was not sure whether there was an exact breakdown but would examine the Review and report back to the group.</p> <p>The REA then provided a status update on REMA, the results of the consultation are likely to be published at the end of February, and that the REA has been invited to sit on a Government-led REMA working group. No questions from members (slide 8).</p> <p>The REA finally went through the reintroduction of the energy security bill, which provides a definition of</p>	The REA to provide a breakdown of the 70GW capacity for solar between domestic and commercial solar.

	energy storage as a subset of electricity generation, confirming the establishment of a Future System Operator, and the power to introduce energy smart appliances. No questions from members (slide 9).	
3. Consultations: Levelling-up Bill and Reclassifying Agricultural Land, Future CfDs, proposed changes to the CfD Standard Terms and Conditions, and Capacity Market reform.	<p>The REA provided an overview of relevant consultations for solar & energy storage members, starting with the consultation on the Levelling-up Bill's reforms to the National Planning Policy Framework. The REA recapped the proposals to reclassify 3b land as BMV agricultural lands, and how these proposals have been dropped. However, this consultation proposed having explicit reference to the relative value of agricultural land for food purposes in the National Planning Policy Framework. The REA also encouraged members to get in touch with them if those discussions in the summer had impacted their investment decisions (slide 10).</p> <p>The REA provided an overview of the future CfDs rounds consultation on repowering projects, which the REA is responding to and provided a breakdown of their response (slides 11 - 12).</p> <p>Finally, the REA went through the consultation on capacity market reform, and how the REA will hold a specific meeting to discuss these reforms (slide 13).</p>	REA to circulate date for Meeting on Capacity Market Reform Consultation
4. Grid issues: Cross Trade Association Letter & Electricity (Connection Charges) Amendment	<p>The REA highlighted how grid issues will be a key focus of this year, and briefed members on the Cross Trade Association Letter & the Electricity (Connection Charges) Amendment (slides 14 - 15).</p> <p>One member mentioned that the EU had released their Green Deal Industrial Plan but the UK has not released anything similar and there are deep concerns about the grid in the UK. The member asked whether BEIS is aware of the scale of the issue here. The REA answered that BEIS are aware of the issue, the REA has regularly highlighted how grid issues remain a barrier to deployment, and that Ministers have become more aware of the issue over the last few months.</p> <p>One member asked whether BEIS has clear examples of how the grid is impacting companies decarbonising and growth. For instance, the member had a major manufacturer as one of their clients who cannot get</p>	N/A

	<p>relatively minor solar connection until 2033, which could impact their decarbonisation plans. The REA said that BEIS would say that they are aware, however further examples to highlight to Ministers and civil servants would be beneficial. The REA suggested that they would appreciate more examples and civil servants find them extremely useful. The REA also mentioned that the media are increasingly interested in this issue, where the REA fed into articles in the FT and an article on West London last year.</p> <p>One member mentioned that one of the biggest challenges for solar and energy storage industry is that securitising the larger transmission works is so exorbitant that smaller developers cannot securitise that payment, and whether there was any recent movement on this issue. The REA mentioned that they raised this issue a year ago, but the REA needs to revisit this issue and get an update on what companies are seeing in their latest securitisation rounds.</p> <p>Another member stated that BEIS were in denial about the situation and were aware of people being concerned about it but write off those concerns as being special interest pleading. They will not gold plate the grid and minimising capital investments, even though the capital investment costs are dwarfed by the costs of not doing it, and disagreed with the REA's view of this. REA responded that they agreed that BEIS do not fully understand the nature of the problem, even if they are increasingly aware of it.</p> <p>The REA then finally provided an update on long-duration energy storage, secure smart electricity systems, and further grid issues of interest to members (slide 16).</p>	
5. 2023 Trends for Solar & Energy Storage	<p>The REA finished the meeting by looking at a project of likely and unlikely trends for 2023, and what would be the most impactful (slide 17).</p> <p>One member suggested that long duration energy storage support should be higher on the impact scale, which the REA will adjust.</p> <p>Another member mentioned that behind-the-meter energy storage for large scale renewables should be on the grid and is a high impact trend.</p>	The REA to adapt the projections grid in response to member's suggestions.

	One member asked whether members had a view on the current high interest levels environment, and what the industry thought about the impacts. The REA believed that it was part of the broader investment environment that is making life more difficult right now, and is being seen as in conjunction with international pressures (US's Inflation Reduction Act and EU's Green Deal Industrial Plan) that investment is going elsewhere.	
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Summary list of actions

Minute No.	Items/Description	Action by
2	The REA to provide a breakdown of the 70GW capacity for solar between domestic and commercial solar.	REA
3	REA to circulate date for Meeting on Capacity Market Reform Consultation	REA
5	The REA to adapt the projections grid in response to member's suggestions.	REA

Date of Next Members Meeting: Thursday 29th June, 1pm – 2.30pm

Attendee List

Chair: John Macdonald Brown (Syzygy Consultation)

Aleksei Beznosov (Ethical Power Connections Ltd)

Analyst (Fluidice)

Andrew Goddard (Freeland Horticulture Ltd)

Andrew Leeson (University of Warwick)

Andy Clark (M Group Services – Energy Division)

Chris Moore (InterGen)

Dan Kinash (New Forest Energy Ltd)

Daniel Levy (Balance Power)

Laura Darch (Carter Jonas)

Ollie Finkill (Siemens Energy)

Florence Goodhart (Novuna)

Helen Stack (Centrica)

John Stockdale (Energy Nest)

Jonny Restrict (Novuna)



Jyotirmoy Roy (GreenEnco Lmt)
Katie Potter (ARFY Management Consulting Ltd)
Mark Christensen (Reliagen)
Mark Howitt (Storelectric)
Matt Clarke (Severn Trent Green Power)
Matthew Andrews (Novuna)
Nick Provost (Balance Power Projects Ltd)
Paul J Micallef (Ernst & Young LLP)
Philippe Bazin (Novuna)
Roxanne Suratgar (Fichtner Consulting Engineers Ltd)
Oliver Seitz (Siemens)
Sneha Shah (Siemens)
Simon Farnan (Gravitricity)
Thorfinn Stout (Marsh Commercial)
Tom Robinson (Brown&Co JHWalter)
Wil Bryant (Morrison Data Services)
Vijay Shinde (Siemens)
Frank Gordon (REA)
George Li (REA)
Jordan Dilworth (REA)
Mark Sommerfeld (REA)