



REA Solar & Energy Storage Forum

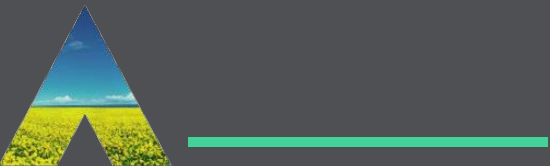
Member Meeting

9th November 2023



REA Competition Law Policy

- REA's compliance with all aspects of UK Competition Law applies to all activities of REA including its subsidiaries Member Forums, committees, working groups, technical groups, and sub-groups and any other such meeting:
 - Members are not permitted to discuss competitively sensitive information, or to use REA as a conduit for such discussions
 - Competitively sensitive information covers any non-public strategic information about a business's commercial policy. It includes, but is not limited to, future pricing and output plans
 - Please note this session is being recorded for note taking purposes.



- Update on Solar Taskforce
- Update on Government Policy Workstreams
- Relevant Consultations
- Relevant REA Events
- Update on Energy Transition Readiness Index (ETRI) 2023
- PAS 63100: Presentation by Joe Warren (Powervault)



In the 'Powering-up Britain' report, the Government announced the establishment of a Government and industry-led Solar Taskforce, covering both rooftop and ground-mounted solar.

This taskforce will run up to February 2024 and publish its solar roadmap in 2024, for both rooftop and ground-mounted solar, that sets out a deployment trajectory to achieve 70GW solar capacity by 2035.

The taskforce established several working groups, which are:

- **Electricity networks**
- **Skills**
- **Rooftop**
- **Supply chains & innovation.**

The REA participates in the **electricity networks** and **skills** subgroups and has representation indirectly through member participation in the working groups.

The subgroups are currently writing up their recommendations, which will then be finalised by the core group of the taskforce. The REA will keep members informed of these recommendations as they are developed.

The skills subgroup is looking for employers to attend and present at regional solar PV careers fairs to meet young people who might be interested in a career in the solar sector. They are looking for employers to participate in the following fairs:

- 27th February 2024: London and the South East - South Thames College
- 4th March 2024: Midlands and Eastern England - Moulton College, Northamptonshire
- 5th March 2024: North - Harrogate College, Yorkshire
- 19th March 2024: South West and Southern - Exeter College, Devon



The Observer reported on 7th October that the Prime Minister planned to restrict installation of solar panels on farmland, which campaigners claimed would be achieved by amending the National Planning Policy Framework (NPPF) to give planning officials the power to block solar developments that could 'put food security at risk.'

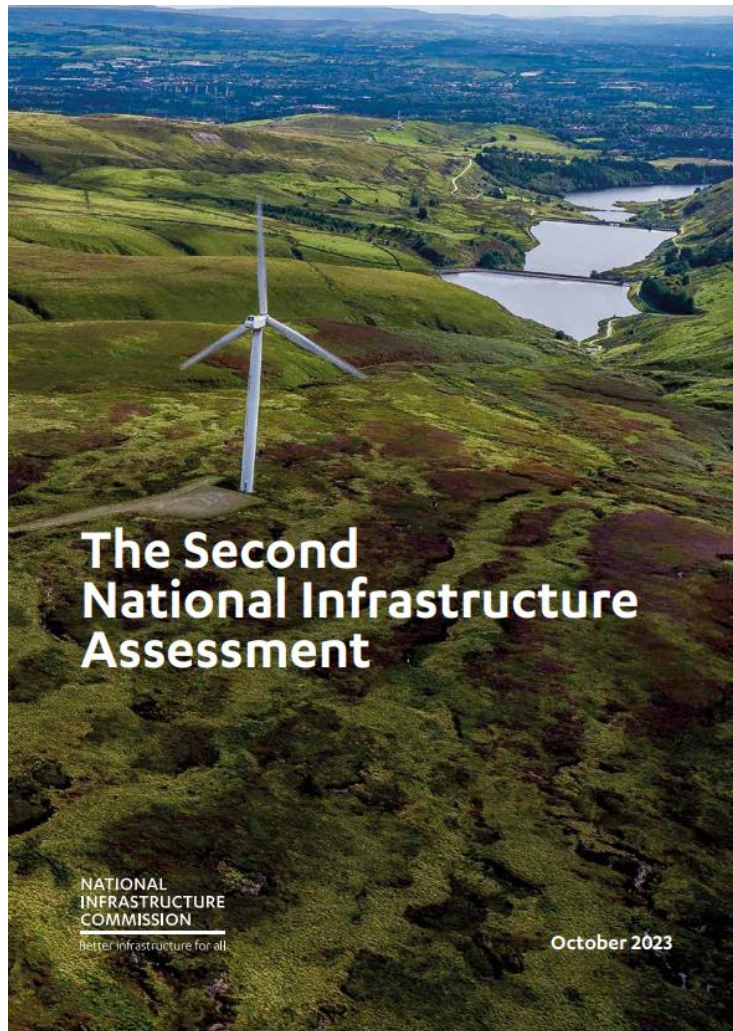


Informal discussions with Government officials indicate that the article is most likely reporting on the proposed drafting changes to footnote 67 in the National Planning Policy Framework (NPPF) for England, which requires consideration about agricultural land and food production for all types of development, as set out in the NPPF consultation (which ran from December 22 to March 23).

"The Government seeks large scale ground-mount solar deployment across the UK, looking for development mainly on brownfield, industrial and low and medium grade agricultural land. Solar and farming can be complementary, supporting each other financially, environmentally and through shared use of land. We consider that meeting energy security and climate change goals is urgent and of critical importance to the country, and that these goals can be achieved together with maintaining food security for the UK. We encourage deployment of solar technology that delivers environmental benefits, with consideration for ongoing food production or environmental improvement. The Government will therefore not be making changes to categories of agricultural land in ways that might constrain solar deployment."

The REA has previously responded to the consultation on the Levelling-up and Regeneration Bill, where we highlighted our concerns about the proposed changes to the NPPF. We will monitor developments on this area and continue to raise concerns when necessary.





The National Infrastructure Commission set out its second National Infrastructure Assessment. The Assessment is a five-yearly review setting out a programme of transformation for the country's energy and transport networks for the next 30 years.

Some of its key recommendations include:

- Scaling up renewable and flexible technologies in the UK electricity system;
- Ensuring the establishment of an Independent System Operator (known as the Future System Operator) by 2024 and for them to have developed a spatial plan for energy by 2025.
- The NIC backs electrification for decarbonising buildings, with full subsidies for heat pumps in a third of households based on income - this includes a statement that the commission believes there is no public policy case for hydrogen to be used to heat individual homes.
- Support public transport upgrades in England's most congested cities.
- The Assessment also stated that the annual £30 billion committed by the Government for infrastructure investment would need to be sustained until 2040, and that this will need to be matched by private investment of £40 - £50 billion in the same period.

To enable these changes and attract the requisite investment while facing global competition, the Assessment says that the UK needs policy stability, pro-investment regulation, and an acceleration of the planning system for major projects.

The REA is continuing to engage the National Infrastructure Commission.



The Energy Act 2023 achieved Royal Assent and became law on 27 October 2023. Together with our members and cross industry collaboration, the REA has long called for this Act to come to fruition, alongside the industry and other member bodies.

In particular, we welcome:

- The legal establishment of the Future Systems Operator for more joined up strategic energy systems planning;
- The applying of a Net Zero Mandate to Ofgem's remit;
- The regulation of heat networks;
- Powers to the Secretary of State to enable government supported business models for Hydrogen production and Bioenergy Carbon Capture and Storage (BECCS).

The REA hopes the measures contained in the Act will encourage flow through to more supportive net zero decisions in the energy system, including addressing key current barriers around grid connections and usage.



Frank Gordon
Director of Policy

REA



House of Lords Science and Technology Committee: long-duration energy storage for a net zero grid.

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The House of Lord's Science and Technology Committee issued an inquiry into whether the Government's current policies on long-duration energy storage are sufficient to reach a fully decarbonised electricity system by 2035 and Net Zero across the whole of the UK by 2050.

Drawing upon on previous consultations on long duration energy storage and producing a report specifically on this area, the REA responded to:

- How much medium- and long-duration energy storage will be needed by 2035 and 2050.
- The sensitivity of capacity goals to the future balance of energy supply and demand.
- Which energy storage technologies can be scaled up.
- Whether current policies are sufficient to support deployment at scale.
- How well developed are individual storage technologies in the UK and how do they compare to development globally.
- The barriers to successfully scaling up energy storage.
- Steps that the Government can take immediately to scale up storage.

The REA has regular meetings with the DESNZ Long Duration Energy Storage team to receive updates on the development of this policy workstream, but also to provide feedback from members.



Consultation: Introducing fixed price certifications into UK-wide Renewables Obligation (RO) schemes

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Renewables Obligation

Call for Evidence on introducing Fixed Price Certificates into the UK-wide Renewables Obligation schemes

Closing date: 9 October 2023

July 2023

After holding a member meeting to discuss our response to this call for evidence, the REA submitted a response. Our key points were:

- Recognising that the introduction of FPCs may, in the future, be required to ensure the price security of the RO. The Government should not look to introduce FPC's until the 2030's – if at all - once more participants are exiting the scheme.
- We reiterate the importance of ensuring the price set for the FPCs is equivalent to the value of ROCs. This means putting the value at the relevant buyout price when FPCs are introduced, plus 10%.
- Not including the 10% headroom, as proposed, would damage generator revenue and devalue existing assets. This is also counter to previous statements of intent from the Government. As such, failure to do so would be considered a retrospective change.
- We also recommend the use of retrospective data to collect supplier obligations and suggest that both functions of the administrator and central counterparty should be kept within the same entity.
- The REA are opposed to indexing FPCs to CPI instead of RPI (as under the current scheme). We note this will happen automatically across the economy from 2030. To make this change before this date would penalise low-carbon generators and undermine existing business models. It, therefore, should be avoided.

The REA has been in contact with the team coordinating this call for evidence, and we are currently exploring an industry roundtable for members to discuss the next steps.



The REA submitted representations to HM Treasury for the Autumn Statement 2023, which will be held on 22nd November.

Our relevant representations are presented here. The REA will monitor announcements on these representations on the day and continue to engage with HM Treasury on these areas.



- Following the REA's submission to HM Treasury's Call for Evidence on VAT energy saving materials relief, the REA reiterated its call for the Government to include all forms of energy storage devices in the list of Energy Saving Materials to zero rate VAT on domestic installations, both standalone and retrofitted to solar PV systems
- Implement a cap and floor support mechanism for long duration energy storage by the end of 2025/2024, to support deployment of critical technologies needed to decarbonise and balance the power system.
- The UK's response to the US Inflation Reduction Act and similar measures in the EU must be a major part of the Autumn Statement
- Provide dedicated capital allowances for investments in new low carbon generation technology, within the new administration's first Spring Budget, akin to those already available for oil and gas sectors.
- Provide interest free loans, by 2025, for households and businesses to install onsite renewables and clean tech, helping them lower their bills



Conservative Party Conference

The REA attended the Conservative Party Conference in Manchester, where we brought along our annual sectoral report, REview23, and our Manifesto, to make sure that whoever is next in Government has the right policies to enable the UK to reach net zero.

There was a notable shortage of policy announcements at the conference. The announcements that were made included:

- Scrapping the Manchester leg of HS2;
- Strategic planning for the national grid;
- Energy Bill set to become law this month.

The REA was disappointed in the Prime Minister's rhetoric leading up to the conference, especially that the PM appeared to be stepping back from our net zero commitments.

Labour Party Conference

The REA was very active at the Labour Party conference, attending sessions and hosting our own reception, which saw REA Chief Executive Dr Nina Skorupska CBE award Dr Alan Whitehead MP with an award for his contributions to championing renewable energy.

Key messages for the renewable energy and clean technology were made in a speech by Ed Miliband MP, Shadow Secretary for Energy Security and Net Zero. They included:

- a commitment to invest £1 billion a year in local energy projects through GB Energy,
- plans for an Energy Independence Act which would focus on ensuring the UK's energy security,
- commitments to insulating 19 million homes.



The REA will be hosting a pavilion at COP28 for two weeks in the blue zone alongside the negotiators.

We will be hosting over a dozen events over the duration of COP28 with members. We can advocate for our members and their technologies at an international scale.

Finally, we are producing weekly newsletters in the run up and will be producing daily on-the-ground updates.

If any REA members will also be at COP28, please get in touch with power@r-e-a.net and we can put you in touch with a relevant colleague attending COP28.

Renewable Energy Action Pavilion



Energy Transition Readiness Index 2023

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The REA released the fourth iteration of its Energy Transition Readiness Index 2023 on 8th November 2023.

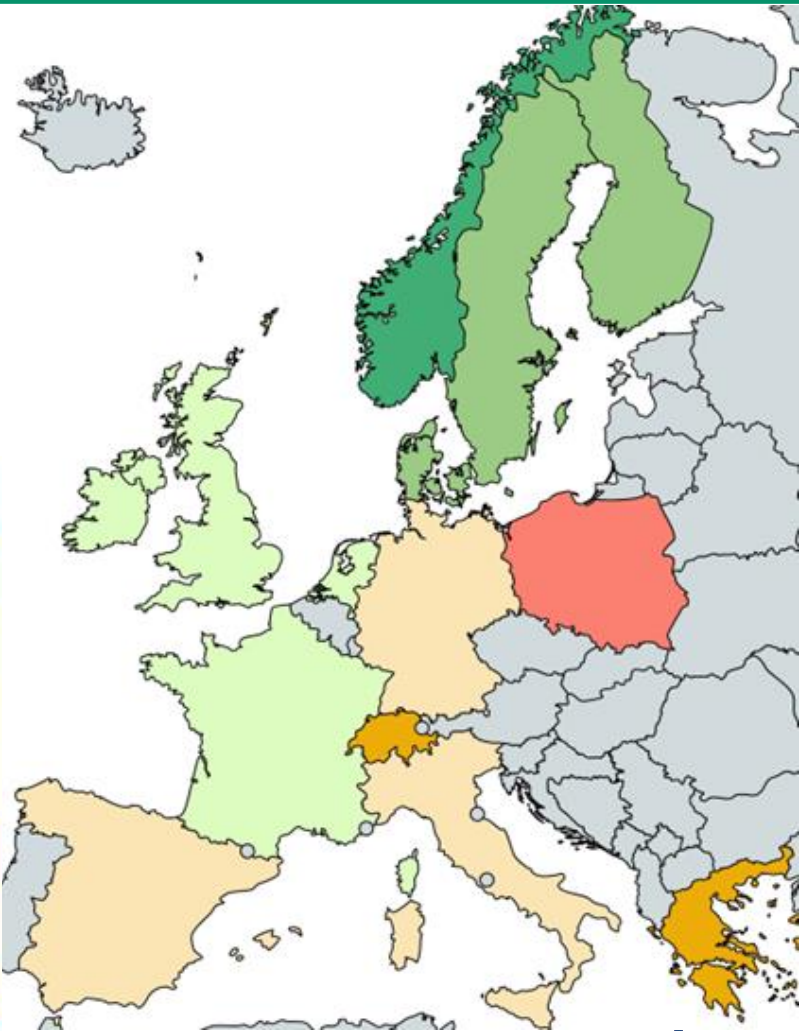
The Energy Transition Readiness Index (ETRI) 2023 - produced by the REA and sponsored by Eaton and Foresight Group - assesses and compares the electricity markets in 14 European countries.

From the perspective of the UK, the report reveals that the UK, alongside Germany, faces the biggest 'flexibility gap'. However, Germany and the UK have also demonstrated the biggest 'investor attractiveness' since the annual survey started in 2019.

While the UK has set ambitious decarbonisation goals and its regulatory alignment to reach net zero is to be commended, current policy priorities appear more focused on short-term political imperatives, leading to increased investment uncertainty.

You can read the report and watch the recording of the launch event [here](#).

Score	2023
High 4	Norway
Low 4	Denmark, Finland, Sweden
High 3	France, Ireland, Netherlands, UK
Low 3	Germany, Italy, Spain
High 2	Greece, Switzerland
Low 2	Poland
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Joe Warren
Managing Director

Powervault



REA Policy Team

Jordan Dilworth

Policy Analyst, Power and Flexibility

jdilworth@r-e-a.net

Frank Gordon

Director of Policy

fgordon@r-e-a.net

Mark Sommerfeld

Deputy Director of Policy

msommerfeld@r-e-a.net

