Removing preliminary accreditation from the Feed-in Tariff

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Consultation response from the Environmental Association for Universities and Colleges (EAUC)

About us

The Environmental Association for Universities and Colleges is the sustainability body for tertiary education in the UK. The EAUC seeks to work with Members and partners to drive sustainability to the heart of further and higher education.

The EAUC Vision is a university, college and learning and skills sector where the principles and values of environmental, economic and social sustainability are embedded.

Our Mission is that we will lead, inspire and equip Members and stakeholders with a shared vision, knowledge and the tools they need to embed sustainability within curriculum and operations.

Our Membership is made up of **215** Member institutions (Universities and Colleges across the UK and internationally) comprising some **4,216** professionals.

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Our Response

Question 1 - Do you agree that, in the context of deployment and spend under the FIT scheme significantly exceeding expectations, it is appropriate to remove the ability to preaccredit from the FIT scheme?

Our Members disagree, based on the potential negative impact this change will have on renewables uptake and deployment and its associated benefits such as renewables sector jobs with any saved revenue from the change not being guaranteed in future FIT reviews.

There is also concern as the change assumes that only Developers will be affected, when in fact organisations such as Universities will be negatively affected by the change, as FIT certainty is of more importance to specific business cases. Of particular concern is the effect on community renewables schemes, and although considered in the consultation process, the proposed change will adversely affect any community schemes already in process and where financial certainty is key.

However, based on the pre accreditation change successfully achieving its goal and slowing down the quantity of "Developer" speculative applications, and thus securing FIT availability in the future DECC FIT reviews. This assumes Developers are the main threat to the future FIT availability via Solar / Wind Farm rent of land schemes.

Question 2 – Are the assumptions made in the proposal on the impact of removing pre-accreditation reasonable?

Our Members said yes, based on the assumptions made, in particular the impact will mean less take up of renewables schemes leading up to the FIT review by DECC. As a consequence existing renewables jobs could be put at risk; however the FIT should be more secure and available to non-Developers post the DECC FIT review.

However, they would not be if based on the proposal assuming installers are always large developers and not individual organisations/community benefit organisations with internal funding. On a portfolio basis, this risk may be acceptable for developers, but is unlikely to be acceptable for an individual organisation developing just one scheme.

Also the proposal has not attempted to estimate the likely impact of this change on deployment and therefore the potential savings are not a reasonable assumption. Paragraph 1.21 states current assumptions are currently being revised, and therefore it is impossible to agree that the assumptions made are reasonable, as these have not been made public. Table 1 includes Contracts for Difference and Capacity Market charges, Warm Home Discount which does not relate to FIT technologies, while the Carbon Reduction Commitment a) does not relate to FIT technologies and b) is a net income fund generator for the Government. The inclusion of this table in its current form is therefore misleading for the consultation.

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Question 3 – Are there additional measures which could achieve the objectives of encouraging deployment under the scheme while ensuring value for money under the LCF?

Our Members said yes, and suggest the Introduction of a planned and transparent reduction of the FIT rates in the future. This way government will achieve the same control of spend and investors will have clear visibility of the rate they will receive when the investment is commissioned.

Our Members also suggest putting a time limit on the pre-accreditation, for example 3 months, and note that pre accreditations cannot be given one month before the tariff degression is due thereby mitigating a spike and stopping applications going in for sites that are not deployed but may affect FIT degression.

Also the existing FIT degression rules are already designed to ensure cost-effective delivery of renewable energy schemes. The spikes in applications when FIT rates change should be analysed further to understand whether this is focussed on large-scale developments; in which case and revisions to pre-accreditation should be focussed on these schemes.

Question 4 – Are there groups or sectors where it may be appropriate to reintroduce pre-accreditation in the future?

Our Members said yes, and suggested pre-accreditation should not be removed in the first place where there is felt to be a specific case for them remaining; which is particularly relevant for community benefit schemes. More generally, pre-accreditation gives certainty to individual organisations too, and therefore below a threshold of, say 2MWp, pre-accreditation should remain.

Also the Higher & Further Education Sector has particular concerns where the renewables technology take up is not as mature as “Developer” large scale renewables, such as Small scale community and public sector schemes, if pre-accreditation is removed from these schemes then reintroduction should be considered. To meet the Higher Education Funding Council for England carbon reduction targets, institutions rely upon secure FIT support to support UK renewables agenda.

However, no group or sectors should be given an unfair advantage. All renewables projects should be judged on their financial payback and the benefit to the National Grid.

We appreciate the opportunity to respond to this Consultation.

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