

Consultation on fast-track review of Feed-in Tariffs for small scale low carbon electricity

Please use the table below as a template to respond to the consultation. It will help us to record and take account of your views.

Also, please provide evidence for your answers and comments where possible.

CHAPTER 3: THE COMPREHENSIVE REVIEW OF FITS 2011-12

Q8: Do you have any suggestions or thoughts on the scope of the comprehensive FITs review (by Tuesday 12 April 2011)

Comments:

Comments in red refer to paragraphs 72-75 of Chapter 3.

72. As we approach the first anniversary of the FITs scheme, the comprehensive review also provides an opportunity to reflect on how the scheme has worked to date and whether any changes are needed. We are bringing forward a FITs Amendment Order to address some early teething issues and make some housekeeping changes that we already knew were necessary. For example, providing an accreditation route for those micro-hydro schemes which were commissioned after the start of the FITs scheme but before the adoption of MCS micro-hydro standards.

The amendment concerning hydro schemes commissioned after the FIT start date is welcome.

Arguably micro hydro schemes deliver the best value from the tariff owing to their potential longevity and high consistency of output. In order to achieve early and more certain take-up of the FIT for potential micro hydro schemes, the FITs Amendment Order could be used to derogate all micro hydro from the MCS mandatory requirement. MCS, or an equivalent design/installation certification scheme, could still be offered on an optional basis (see points below)

73. There could though be other issues that need to be addressed. We want to understand peoples' experiences of the scheme and are open to suggestions about any areas of improvement and we invite your input.

Our experience of the scheme is that potential micro hydro generators and suppliers are reluctant to invest because of the uncertainty of their eligibility to receive the FIT; this results from the mandatory MCS or equivalent certification requirement – MCS is seen as unsatisfactory for micro hydro and as yet there is no alternative (this is evidenced in individual submissions by potential hydro scheme proprietors, and by industry

representatives, to Gemserv and to the Minister of State). This means that many schemes which might already be under development have not been started (this applies to 10s of the sites in Southern Scotland for which I have carried out preliminary surveys); several installers and suppliers have privately stated that they are concentrating their resources on schemes above 50kW DNC because of the costs and uncertainty involved in the MCS accreditation requirement.

An issue which the FiT does not appear to address is the variation in longevity between different technologies. Micro hydro schemes are in general likely to last considerably longer than other technologies (with only very low maintenance), and hence will contribute better to long term renewable energy targets and security. An additional incentive for investing in micro hydro would be to reward this longevity, perhaps based on the estimated lifetime energy output (there should perhaps be an onus on Ofgem to identify any reduction in expected annual output from all the microgeneration technologies and to require some payback from under-performing or non-functioning sites).