



The RT HON. The Lord Hunt of Kingsheath
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Flawed Feed-in Tariff/Renewables Obligation legislation for hydro schemes <50kW capacity

Dear Lord Hunt

Thank you for your response to John Thurso on this subject which he kindly forwarded to me.

I did engage in the MCS consultation process, but as you will see below still have concerns over the current work on standards.

I attach an email I have also sent to others with an interest in this area and to others with whom I have had discussion and would be grateful if you would also consider the points I am raising.

Yours sincerely

Gavin King-Smith

Administrator of the Micro Hydro Association www.microhydroassociation.co.uk
Independent adviser on hydro-electric schemes

Following:

Copy of email (2 pages)

From: Gavin King-Smith [mailto:gkingsmith@gmail.com]

Sent: 28 March 2010 22:58

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Subject: Flawed Feed-in Tariff/Renewables Obligation legislation for hydro schemes <50kW capacity

Dear Ladies and Gentlemen (email also faxed to Lord Hunt's office)

I believe that you all have a particular interest in the steps being taken to make sensible use of renewable energy sources for electricity production. Thank you to those who responded to an earlier submission I made to Lord Hunt and a number of MPs and MSPs in Westminster and Holyrood in February 2010.

I am writing out of concern that there are flaws in the FiT and RO arrangements due to be introduced on April 1st.

The aim of the FiT statutory instrument 'The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010', which implements a component of the Energy Bill 2008, is clear: "to encourage the take-up by communities and households of technology for using renewable energy sources for the production of electricity". It is generally agreed that the hydro-electric turbine is the most efficient, effective, and resilient technology able to achieve this aim, and there are many unexploited watercourses in the UK which could be used for small-scale hydro schemes (<50kW capacity). These could readily be exploited for communities and households, particularly in hilly rural areas.

I believe that are two flaws which will result in the FiT failing to meet its aim in relation to small-scale hydroelectricity:

- 1 If the FiT order receives Royal Assent, as expected, I believe that new hydro schemes of <50kW capacity will not be eligible to receive the FiT for the following reason: the FiT order specifies that new hydro schemes with a declared net capacity of <50kW must receive MCS ("Microgeneration Certification Scheme"*) accreditation, or equivalent. There are as yet no agreed standards by which the small number of products, and the suppliers and installers who currently operate in this field, could be assessed; under these arrangements, it will therefore not be possible to accredit any new small hydro schemes (those already accredited under the ROO will be transferred to the FiT scheme automatically, although they will in practice receive less financial support than they are currently receiving under the ROO).
- 2 It is still possible that the FiT statutory instrument may not receive Royal Assent, and the Renewables Obligation Order Amendment 2010 will transfer all existing <50kW schemes out of the ROO. I understand that the ROO amendment is now awaiting Royal Assent, so if the FiT is annulled and the ROO amendment passed, there would remain no process to award Renewables Obligation Certificates (ROCs), nor any other incentive, to either existing or future hydro schemes of <50kW capacity.

I realise that DECC are already aware of point 1 and that the MCS steering group and a MCS hydro working group have been trying to develop standards and transitional arrangements for some months, but they are not yet agreed to be fit for purpose. I understand that DECC are not currently commissioning other equivalent standards or certification procedures to be developed to compete with the proposed

MCS, so alternatives will not be ready soon either. Although the UK Government response to the FiT consultation seems to imply# that, until viable standards are defined for hydro schemes, generators should approach Ofgem to seek accreditation under the RO, this measure does not appear explicitly in the FiT statutory instrument.

I am seeking your help at this late hour to look into the matter and see if anything can be done to allow small hydro schemes to be developed with support from the next government without any delay.

For example, could a derogation from the FiT accreditation arrangements be introduced for hydro schemes under 50kW as a temporary measure before suitable standards are in place and assessors become available and are trained? Schemes could then be deemed eligible for receiving the FiT providing they met the accreditation requirements of the original ROO. This would use procedures which are already in operation in Ofgem.

Or might it be necessary to annul the FiT order and to seek a Judicial Review in order to remove the anomaly in point 2 above and then determine necessary amendments in subsequent legislation? This could presumably take a considerable time to come into force and would be undesirable as it would affect the take-up of other renewable energy technologies.

Yours faithfully
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*Extract from FiT order:

“MCS” means the Microgeneration Certification Scheme or equivalent schemes accredited under EN 45011 which certify microgeneration products and installers *in accordance with consistent standards.* (my italics)

Extract from Government response to the Summer 2009 Consultation:

106. For technologies where there is a *viable* Microgeneration Certification Scheme (MCS) process (wind, solar PV and hydro up to 50 kW, and domestic scale microCHP), generators will need to ensure that the installation is recognised by MCS; they will then approach a FITs supplier, who will manage the process of registration for them.

107. For other technologies, *generators will need to approach Ofgem and seek accreditation under a similar process as exists currently for the RO*; once accredited generators may approach a FITs supplier. (my italics)