



**High Appin
Tynron
Thornhill
Dumfries & Galloway
DG3 4LF
Tel/Fax: +44 (0)1848 200770
to send a fax, please telephone first
email: gkingsmith@gmail.com**

22nd February 2010

2010 Energy Bill: Flaw in Feed-in Tariff (FIT) arrangements for small hydro schemes

I attach a submission describing a flaw in the Energy Bill FIT arrangements that will prevent the intentions of the FIT being achieved, in particular for small-scale hydropower (under 50kW capacity). This is written on behalf of the Micro Hydro Association, only recently formed but growing fast, which has members who are currently installing or considering installing schemes as well as suppliers of equipment and installation services.

Small-scale hydropower may not yet be big but it is beginning to appeal to small hill-farmers and proprietors with steep watercourses. It will allow them to farm energy as well as food, to economise on electricity costs, to contribute to the supply of renewable energy, and to make use of otherwise unproductive land in an environmentally unobtrusive way. To date, microhydropower has proved viable and the return on capital has been fast with the Renewables Obligation (RO) incentives. The Energy Bill as it stands will make it uneconomic for people to install small-scale hydro schemes because they will find themselves ineligible for the new FIT incentives which will replace the RO.

The submission is addressed to you and other politicians and civil servants to draw attention to this issue in advance of the passage of the Energy Bill. We hope that you will be moved to **write urgently to the Ministers concerned and to lobby for the Microgeneration Certification Scheme (MCS) requirement to be removed from the Energy Bill at least for a reasonable period and to be replaced by less onerous transitional measures.**

Action on this matter is urgent in view of the impending report stage of the bill scheduled for 24th February 2010.

Yours sincerely

Gavin King-Smith

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

Enclosed:

Concerns about the 2010 Energy Bill Feed-in Tariff for small hydro scheme

Summary

Benefits of hydropower for the environment and local economy

Problems with the FIT scheme and obstacles to achieving the benefits

Risks and Regulation

Solutions: Ways to rectify the FIT scheme