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Organisation name: Understanding Risk Research Group, Cardiff University

Organisation Type

Organisation type: Academic/Professional Institute

If other please specify:

Would you like this response to remain confidential?

No

Reason for confidentiality:

Q1. Do you agree or disagree with the proposed new tariffs for solar PV? Give reasons to support your answer.

Disagree

Please provide your comments: We recognize that this was a short term measure intended to boost a new market and that there was always an intention to reduce the FiT for solar PV support in the medium term. Our primary disagreement arises with regard to the timeliness of the changes to FiT but also relates to the lack of consideration given to the wider benefits of FiT schemes, which include: Community regeneration; greater awareness of energy usage and related environmental issues; addressing affordability of energy for some of those most affected by high and increasing energy bills; social enterprise, training and job creation. The rate at which the new proposed tariffs are being introduced has had the most severe effect on 'rent a roof' multi-installation schemes that rely on large numbers of people signing leases to agree rental in advance of installation. From our research, being undertaken in Cardiff with one such scheme in a social economically disadvantaged area, we have evidence that FiT supported solar PV installation schemes are forming highly important parts of community action to reduce energy bills, improve engagement with environmental issues, develop local economies through training and employment opportunities, as well as offer a source of sustainable income for community groups to invest in further activities to achieve these ends. The communities with which we are undertaking research have worked hard to generate interest for investment based on the current tariffs with significant success. The speed at which the new tariffs for solar PV have been introduced will leave communities striving to improve their areas and address socio-environmental issues, with their aims and work in severe jeopardy. For these reasons moves to create a community scheme that would offer similar or the same opportunities for community groups such as the ones involved in our research should be a high priority for government. Given the impact that the changes to FiT are having on these groups this should be done as quickly as possible to ensure that valuable ground gained in developing community volunteering and wider interest in solar PV installation is not lost. This should also be agreed in communication with community groups so that the best outcomes for those groups can be achieved. The current FiT support offered a number of general benefits to communities and home owners (listed below). The development of a community tariff should aim to (at the very least) replicate these anticipated benefits that were achievable through the existing FiT. Anticipated and emerging benefits include: the low risk (financial and technical) to actual householders many of whom would be unlikely to be able to take on the financial risks involved themselves (e.g. due to lack of upfront capital and/or capital to invest if elements of the technologies require repair or replacement over time); the reduced bills that gave a direct benefit to householders and helped to address the growing issue of energy affordability; the longevity of the FiT payment over 25 years meant that it was attractive to investors but also meant that it could provide a sustainable stable source of income for community groups – a long term sustainable income of this type creates a basis for much more ambitious community projects including social enterprises that can generate employment; the door that it opened for communication about and development of energy efficiency, demand reduction and lifestyle change associated with meeting environmental targets.

Q1. File upload: Not Answered

Q2. Do you agree or disagree with the proposal of applying the new tariffs to all new solar PV installations with an eligibility date that is on or after a reference date that comes before the legal implementation of those tariffs? Give reasons to support your answer.

Disagree

Please provide your comments: In this particular instance the decision to rush through the changes by having an earlier reference date is problematic for the primary reason that there was not sufficient time to plan for the tariff changes. This is a particular issue, as pointed out above, for those developing multi-installation solar PV schemes with large communities where longer time periods are required for installation and development compared to those with upfront capital to purchase solar PV for their own homes.

Q2. File upload: Not Answered

Q3. Do you agree or disagree with the proposed reference date of 12 December 2011? Give reasons to support your answer.

Disagree

Please provide your comments: Further to the above comments, the inadequate attention paid to the timeliness of announcements and provision of information about the tariff changes raises questions about the adherence, in this case, to principles of good policymaking. We suggest that good policy making would involve considered and timely review of the benefits of FiTs for solar PV balanced against the costs now and in the future. The speed with which the changes have been announced in this sense represents an example of poor policy making and governance as the only opportunity to respond has occurred on the basis that the decision has already been taken before any evidence provided could have been properly considered. In addition to this, if the changes had been announced in a timely manner so as to allow opportunities for community groups and others to prepare for the introduction of changes to the tariff, and the opportunity to respond to the policy plans, this could have considerably reduced the negative impact on such schemes. This kind of approach to government policy not only destroys investor confidence but has serious impacts on the confidence that the wider public has in government's commitment to address the things that matter to them i.e. in this case, community regeneration, environmental degradation and climate change, energy affordability and job creation.

Q3. File upload: Not Answered

Q4. Do you agree or disagree with the proposal to introduce new multi-installation tariff rates for all new solar PV installations that meet the definition set out above and have an eligibility date of on or after 1 April 2012? Give reasons to support your answer.

Disagree

Please provide your comments: Although it is clearly important that a distinction is made between multi-installation tariffs and individual installations, the multi-installation schemes tend to be those that are benefiting the fuel poor and addressing issues of affordability as well as providing the wider benefits described above. If carried out properly, these kinds of installations offer low risk and high benefits to householders that could not commit the upfront or long term capital costs. There may of course be better approaches (e.g. in terms of value for money) that could deliver these same benefits or better (including the low level of risk for more vulnerable groups). A community tariff may be able to offer this but at present multi-installations are the only route available to those unable to personally invest. Crucially multi-installation companies also resolve issues of technical support and long term maintenance associated with individual installations. Given these points, we suggest that the multi-installation tariff needs to be considered along with and in the development of proposed community tariffs. There are some issues at present in the ways multi-installation projects are undertaken relating to the lack of support for community groups and individuals in negotiating the best outcomes for their area or themselves, and the lack of formal guidance on how benefits should be shared out in ways that provide the best outcomes for all concerned.

Q4. File upload: Not Answered

Q5. Do you agree or disagree with the proposed multi-installation tariff rates? Give reasons to support your answer.

Disagree

Please provide your comments: See previous comments – the main issue is that the above points relating to multi-installation schemes and their relationship with communities should be included in the deliberation and final decision about the rates.

Q5. File upload: Not Answered

Q6. Do you agree or disagree with the proposal that for solar PV attached to a building, eligibility for the standard tariffs proposed in chapter 2 should be contingent on a minimum energy efficiency requirement being met? Do you have views on whether such a requirement should apply in relation to all buildings or just to dwellings or non-domestic buildings? Give reasons to support your answer.

Agree

Please provide your comments: In principle it should apply to all buildings, except the timing in terms of when the Energy Efficiency Requirement (henceforth EER) has to be met should be given serious thought. For example, there must be support for those on lower levels of income to bring their homes up to the required standards. In the context of community schemes the FiT for solar PV can generate income that can be used to then upgrade housing and help people to

improve the energy efficiency of their home. Emerging findings from our research demonstrates that solar PV can act as a strong motive for engagement in wider energy efficiency measures – because solar PV installations generate income for communities it also offers a means of funding such measures. All this occurs once PV has been installed meaning that a pre-installation requirement may not be the most appropriate in many cases. Potentially, allowing a permanent 12 month post-installation period for upgrades may be more manageable for many and will not prevent multi-installation schemes that can act as a gateway to the development of precisely these kinds of changes. Another approach might be to provide a partner funding scheme for energy efficiency measures that can be accessed by community groups to upgrade housing. A further consideration in applying this to all dwellings is how the EER will be applied to exceptional cases such as self build eco homes. In particular our ongoing research is revealing significant difficulties for those engaged in efforts to live sustainably in off grid, self build contexts because they are innovating building techniques in ways that existing building regulations are not necessarily amenable to. There is the potential that these types of housing may not be able to be rated under the same set of criteria as conventional houses. There will therefore be an additional need to find ways to ensure these types of dwellings are not ruled out of FiT, not because they are energy inefficient but because they cannot be assessed in the same way as other homes. Some form of flexibility in the rating process may therefore be necessary. A further issue relates to the enforcement of the energy efficiency rating. The process of assessment will take time and for multi-installation (or proposed community) schemes could act as a further barrier to development of solar PV. Again creating a permanent period of post installation change could help to alleviate these kinds of issues which could prevent schemes from 'getting off the ground'. A final point to be made on the EER and its relationship to FiT rates is that, at present, the revised FiT tariffs treat domestic properties (and home owners) as a homogenous set of building types and do not adequately take account of the nuances. In particular, there is significant evidence that retrofit of energy efficiency measures is often far more complicated and expensive than new builds. With the exception of solid wall insulation this distinction between new build and retrofit has been given very little attention in terms of the FiT rates and the EER. Given that the majority of housing stock for 2050 is already built, it is this domestic housing sector which requires the most attention. It is important that far greater thought is given to how support for retrofit of the existing stock can be developed – perhaps a better FiT rate for retrofit properties than new build could be one way of advancing this transition.

Q6. File upload: Not Answered

Q7. Which of our two lead options for the energy efficiency requirement – requiring a building to achieve a specified EPC rating , or requiring the installation of all measures that are identified on an EPC as potentially financeable under the Green Deal - do you prefer for (1) dwellings, and (2) non-domestic buildings? Give reasons to support your answer.

1) Dwellings: Requiring a building to achieve a specified EPC rating

2) Non-domestic buildings: Requiring a building to achieve a specified EPC rating

Please provide your comments: The reasons being we have reservations about the processes for financing energy efficiency measures and are concerned that this may result in low income houses that are not eligible for loans or cannot afford upfront costs associated with efficiency being ruled out of PV installation. Evidence from research we have undertaken from three major projects has shown that there are additional barriers in terms of take up of the Green Deal relating to trust (in government and in companies providing the loans – particularly energy companies) and significant concerns about taking on (further) debt. Though in principle energy efficiency should form part of the development of solar PV installations, it is of high importance to ensure that approaches taken to this do not work to disrupt or undermine that which can be achieved through solar PV schemes (and particularly multi-installation projects), e.g. community development that can offer a basis for further changes toward secure, low carbon, affordable energy systems, personal and community interest in energy issues and efficiency, feeling supported in energy system transitions. Receiving solar PV (through a large project) or being engaged to self-purchase can create a sense of wanting to do more, as well as raising awareness that changes are needed. The symbolic value of solar PV as a very visible sign that others are 'getting involved' is also highly important and not achievable in the same way with efficiency measures. We do not have research relating to non-domestic buildings so are unable to comment fully on this. However, from our work on public perceptions to whole energy system change it is clear that the public expect all actors and sectors of society to contribute to mitigation strategies, including business and industry greenness. As such, if business, public sector and industry are perceived not to be subject to the same or similar regulations as domestic properties, this could be interpreted as putting an undue share of the pressures, strains and burdens related to change on householders. Ultimately this could damage the credibility of the scheme and once again negatively impact on the public perception of Government's commitment to these issues. Accordingly, whilst not being able to advise on the best means for assessing non-domestic buildings, we wholly support that measures are being considered.

Q7. File upload: Not Answered

Q8. Under the first option for the energy efficiency requirement, do you agree or disagree with the proposal that the EPC rating required to be achieved should be level C or above? Give reasons to support your answer.

Agree

Please provide your comments: Taking into account the above reservations, level C or above is appropriate but we feel it is important to stress the issues for certain kinds of schemes with this being a requirement for standard FiTs pre-installation. There is emerging evidence to suggest that solar PV can attract and build interest in groups and communities that may not typically engage with energy issues. In this sense PV opens a window to advance changes in efficiency and other areas that may be lost entirely if people are discouraged from installing PV by the pre-installation efficiency requirement (and therefore would not be subject to efficiency requirements) – again this is particularly pertinent for community projects and schemes that come at no cost (or debt) to the householder. Unless measures are put in place to facilitate the development of these efficiency measures through a similar 'no risk' approach, the requirement to take on debt or find upfront capital to invest in these measures may result in a much lower uptake rate. These comments are less pertinent to those with the upfront capital to invest in solar PV themselves but again as installation acts a 'gateway' for those without interest in making these kinds of changes, a post-installation requirement may be more effective in terms of generating higher numbers of homes with energy efficiency measures installed.

Q8. File upload: Not Answered

Q9. Do you agree or disagree with the proposal that, for a transitional period only, all solar PV installations attached to a building should initially qualify for the standard tariff, and their continued eligibility for that tariff should be conditional on

the building to which the PV installation is attached achieving the energy efficiency requirement within a specified period? Give reasons to support your answer.

Disagree

Please provide your comments: The only disagreement is that this is only for a transitional period and will not be applied permanently/generally as per our proposals relating to a post-installation requirement – see above comments.

Q9. File upload: Not Answered

Q10. Do you agree or disagree that this transitional arrangement should apply to installations with an eligibility date on or before 31 March 2013, and that the specified period should be 12 months from the installation's eligibility date? Give reasons to support your answer.

Agree

Please provide your comments:. A transitional period of 12 months seems appropriate though this will obviously depend on the availability of professionals to carry out the work and having funds available – will there be mechanisms for taking into account extenuating circumstances or unforeseeable problems?

Q10. File upload: Not Answered

Q11. Can you identify any other issues, besides those discussed in this chapter, in relation to the implementation of an energy efficiency requirement for (1) dwellings, and (2) non-domestic buildings?

Please provide your comments: Additional issues outlined in more detail above are: ■The distinction between individual installations and community/multi-installation projects■The importance of supporting lower income households in efficiency and solar PV installations ■The significance of solar PV as a 'gateway' to addressing energy efficiency – meaning the 'efficiency first step' may not be as effective in delivering the desired aims (e.g. greater energy efficiency and low carbon generation in as many homes as possible)■The importance of accommodating unconventional forms of sustainable housing in efficiency ratings■The importance of recognising the added complications for retrofit of properties as compared with new build ■The significance of considering a post-installation requirement potentially along with a requirement for the installer to take responsibility for this but with provisions that mean the business-model does not become untenable

Q10. File upload: Not Answered

12 General comments

General Comments: Not Answered

File upload: Not Answered