

The Rt Hon Greg Clark MP Secretary of State for Business, Energy and Industrial Strategy Department for Business, Energy and Industrial Strategy 1 Victoria Street London SW1H 0ET

29 January 2018

Dear Greg

Feed-in Tariff Consultation: delivering a route to market for local energy

As a group of trade associations we write on behalf of our members to express significant concern regarding the delay to the long-awaited consultation on the Feed-in Tariff.

To date, the Feed-in Tariff has supported much of the UK's small-scale low-carbon generation. It is this portfolio of energy assets that is not just helping to meet the UK's energy needs and carbon targets, but is contributing to Government's policy ambition through creating a more dynamic, smart and flexible low-carbon energy system.

The benefits of decentralised generation are not limited to energy production. Small-scale local energy projects create significant socio-economic benefit across the whole of the country, engage communities and are often at the forefront of innovative energy and business models.

Crucially, local low-carbon energy resources have been fundamental in giving small businesses greater control over their energy costs and use – and have helped create additional income in some instances.

While we understand the Feed-in Tariff is set to close to new applicants in March 2019, and that the Control for Low Carbon Levies sets out Government's position regarding new levies out to 2025, we would stress that without a viable route to a market, the benefits that small-scale low-carbon energy projects can deliver to the UK risk being lost.

This cliff-edge is creating considerable uncertainty for the organisations and groups we collectively represent. Investor confidence in the sector is waning, with developers increasingly looking to invest elsewhere. UK communities and business, as well as industry, risk missing the opportunities that come with developing a vibrant small-scale energy sector.

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We would therefore strongly encourage Government to consult on both outstanding operational issues and the overall future of the Feed-in Tariff with urgency.

We would welcome the opportunity to discuss these concerns in further detail and consider opportunities for this sector to help meet the Government's clean growth ambitions.

Yours sincerely

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