

ECA meets Energy Minister as solar deadline approaches

Written by Luke

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The Electrical Contractors' Association (ECA) has urged Minister of State for Energy Andrea Leadsom MP to "rethink" proposed government cuts to solar PV subsidies, during a meeting on 21 October.

The meeting was attended by the ECA's Director of Business Services Paul Reeve, in addition to a number of other key bodies representing the solar micro-generation sector, including the Solar Trade Association.

It comes just hours before the government's consultation deadline over their proposals to reduce Feed-in Tariff (FiT) payments by around 87%, starting from the New Year.

The ECA has also responded to the consultation, supported by evidence from ECA members who install solar PV. The response points out that a 'slow but steady' regression in FITs - rather than the drastic and immediate reduction being proposed- will allow the sector to make an orderly transition into unsupported competition with other energy sources.

According to Paul Reeve, ECA Director of Business Services:

"The current government plan could do irreparable damage to domestic - and possibly commercial - solar rooftop installation. Far from solar PV being a burden on domestic consumers, solar is already reducing the wholesale cost of electricity to homes and businesses.

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"Solar PV is also a major contributor to the UK's energy future: additional UK generated renewable energy capacity which alongside developments in electrical storage can transform the UK grid and encourage zero emissions electric transport.

"The sector probably only needs five more years of Feed-in Tariff support before it can stand on its own two feet, but it is simply not there yet. The government must rethink these proposals before they finish off the industry, causing the loss of thousands of jobs in mainly local small businesses."

ECA research into the impact on electrical contractors offering solar PV installation shows that the government proposals will affect mainly small companies – often micro-businesses employing under 10 people – which on average risk losing over £300,000 of annual revenue.

The ECA survey results also found:

- Nearly 3 in 4 respondents (72%) achieve between £5,000-£10,000 of revenue per installation.
- Firms undertake on average around 45 installations per year. (Over 55% installed between 11-50 solar PV installations, with 22% installing between 51-100 installations.)
- Respondents indicated the vast bulk of solar PV revenues would cease if the current government proposals go through.

The ECA's full consultation response will be available from 26 October.