

**Changes to
financial
support for
solar PV**

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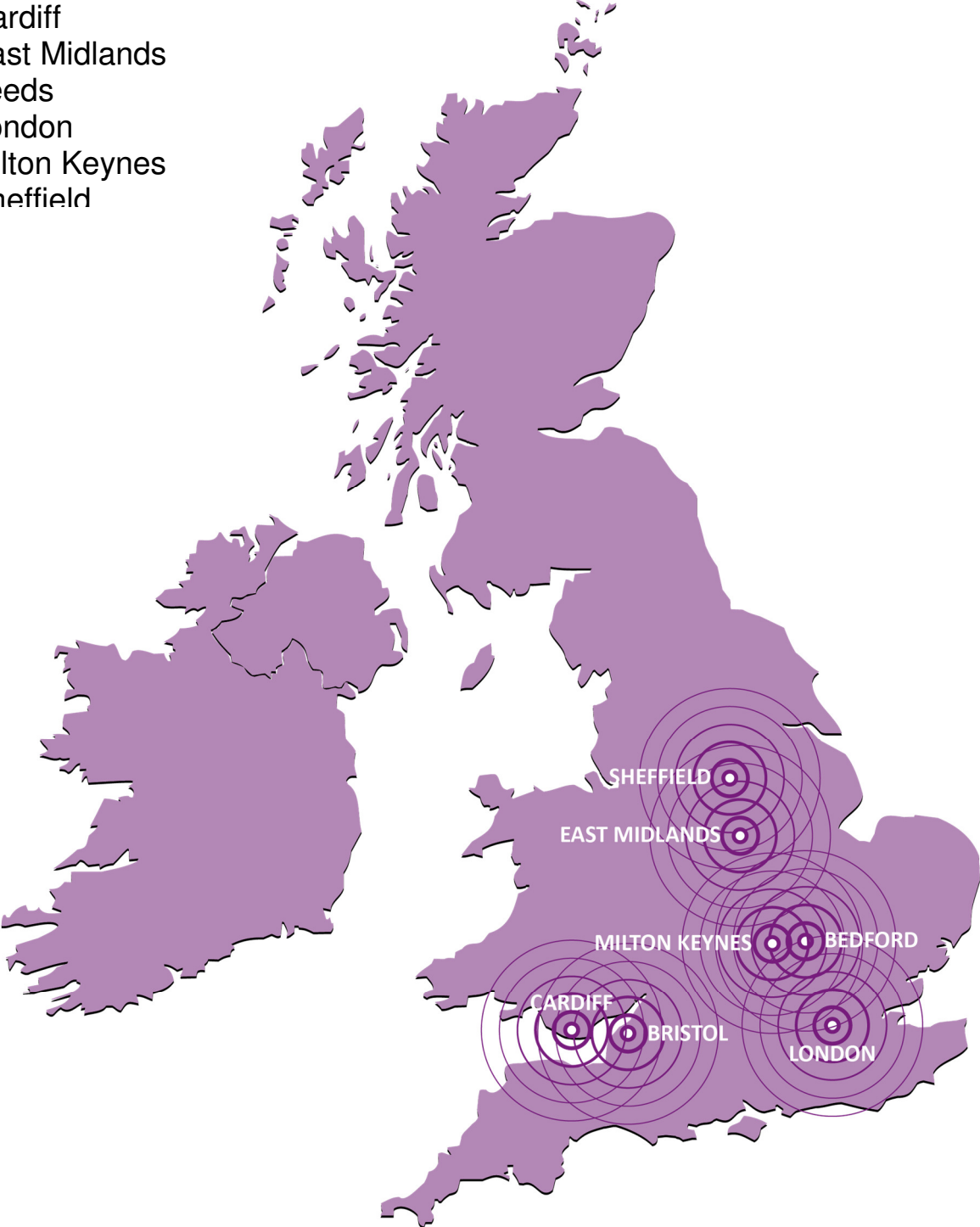
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Changes to financial support for solar PV

Following consultation earlier in the summer, the Department of Energy and Climate Change (DECC) announced earlier this month that the Renewables Obligation Certificate (ROC) subsidy for new large-scale solar farms with a capacity greater than 5MW will no longer be available from April 2015. Following this the Environment Secretary, Elizabeth Truss, announced that from January 2015 farmers who choose to use fields for solar panels will not be eligible for any subsidy payments currently available through the Common Agricultural Policy, in order to help safeguard farmland and help prevent rural countryside 'blighted' by solar farms.

Both announcements appear to slow solar farm development in UK and appear to show a steer away from large scale ground mounted solar developments in favour of installation of building mounted and brownfield schemes.

Such policy change does have the potential to increase 'solar hubs' where a grid connection is shared between solar sites. However, it should be noted that these amendments do not preclude the development of ground-mounted solar and the RO will still be available for new solar PV at or below 5MW in scale. Larger scale solar installations above 5MW will still be eligible to apply for support under the Contracts for Difference (CfD) auctions, however they will be in competition with other renewable energy resources such as wind and bio mass.

Whereas changes to the ROC still encourage smaller scale solar development, the recent changes to stop subsidy payments for farmers using their fields for solar installations, has received strong criticisms for appearing to ignore the planning system. However, National Planning Policy Guidance clearly sets out that farming practices should continue on solar farms built on greenfield land, where it allows for continued agricultural practices such as sheep farming. Further to this the planning system is in place to prevent unsightly and overly dominant solar farms or their deployment on high-quality productive agricultural land.

Changes to Renewable Obligations Certificates (ROC)

From **1 April 2015** ROC will no longer be available to new solar PV generating stations above 5MW in scale, or to any additional capacity added to existing accredited stations where the station is or would become above 5MW.

The ROC will still be available for new solar PV at or below 5MW in scale. The closure date for the ROC scheme, 31 March 2017, will still apply to these smaller projects. However monitoring of small scale solar PV deployment will continue, in order to necessarily protect the Levy Control Framework (LCF).

The changes to the ROC means there is likely to be an increase in demand for rooftop solar installations. It has potential to increase solar hubs where a grid connection is shared between solar sites and reduces the connection and time cost for each project.

Larger scale solar installations above 5MW will still be eligible to apply for support under the Contracts for Difference (CfD) auctions.

There will be a grace period in place to protect projects where significant financial commitments have been made on or before 31 May 2014. In order to benefit from the grace period developers will need to present the following three forms of evidence to Ofgem:

- A grid connection offer and acceptance of that offer, both dated no later than 13 May 2014;
- A Director's Certificate confirming ownership of the land, lease or option to lease or to purchase the land as of 13 May 2014; and
- Confirmation that a planning application had been received by the relevant planning authority in respect of the project on or before 13 May 2014.

Projects qualifying for this grace period must commission and accredit under the RO no later than 31 March 2016.

As there is a risk of projects being delayed through grid connection issues which are out of the developer's hands, the Government has issued a further consultation on introducing a grid delay grace period.

Where a planning application has been received by the relevant Planning Authority, it must also be demonstrated that the planning application approved did not represent a minor variation from the original planning application. Also to note, this does not apply to outline planning applications.

Amendments to the Feed-In Tariff (FIT)

The Government is keen to support the development of other-than-stand-alone/building mounted integrated solar PV and therefore has decided to split the >50kW and stand-alone band into two separate bands. Subject to the Parliamentary process, the degression band split will apply for the January to March 2015 Solar Deployment Period.

There will also be a further consultation on the definition of 'stand-alone' and 'other than stand-alone' installations due to concerns raised by the industry that stand-alone installations could wire through structures created or amended to enable them to qualify as other-than-stand-alone installations and receive a higher tariff.

The consultation also proposed splitting the solar PV FIT degression bands between ground-mounted and building-mounted solar. The Government has decided to make the split for the degression triggers 35%:65%, to apply from January 2015. This will be subject to Parliamentary process and will be based on the current descriptions of other-than-stand-alone and stand-alone installations. This echoes the Government policy intent to encourage roof top solar PV installations instead of ground-based.

DLP Planning Consultants have considerable knowledge of Solar PV development. Senior staff within the Practice are well versed with the planning process and policy changes, which allows us to deliver the best result for our clients. We have excellent working relationships with Local Planning Authorities, making the process clearer and smoother for our clients. If you require any further advice regarding the above, please do not hesitate to contact one of the offices listed below. Senior staff within the practice would be very happy to assist you with regards to your enquiry.

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