



Solar & Energy Storage **Manifesto**

June 2024





Chris Hewett, Chief Executive

There is a race for clean power across the world. Not only to solve the climate crisis, but also to deliver secure, affordable and homegrown energy for the long term, and cut dependency on imported, polluting, expensive fossil fuels.

The interest in this race is not only from actors on the global stage, but at every level, be it the UK's legally binding climate targets, the hundreds of local authorities which have declared climate crises, right down to individual voters.

As someone who cares deeply about this issue, I was heartened to see polling from Climate Barometer showing that most people identify climate and environment as one of their top five issues as they head to the ballot box, but I'm sure people hope this is not an issue the election is fought over.

Data from the last two years clearly shows that public levels of support for action have not dropped. In light of all the challenges we face as a country, a cost-of-living crisis and soaring energy bills, the nation understands the future of energy security is renewable. The next government must keep leading the way on this policy consensus, and empower industry to deliver it here, in the United Kingdom.

The solar and energy storage industries are at the heart of this economic transition and the next five years will see huge growth worldwide. The next Government must harness this opportunity. If it fails, then clean power investment will go to other players in the global race, who will reap the benefits.

First, we need to see clear ambition. By the end of 2024, there is likely to be about 20GW of solar and 8GW of energy storage capacity in the UK. **Solar Energy UK believes that by 2030 that needs to increase to 50GW of solar and 30GW of zero carbon energy storage.**

This would be in line with the current Government target of 70GW of solar by 2035 and the National Infrastructure Commission (NIC) recommendation that the UK should have 60GW of short term energy flexibility by 2035 to balance the variable nature of wind and solar.

The investment appetite is there, at all scales, but there are challenges which must be overcome, and this is where the Government can make a real difference. Our industry understands the challenges, but asks that the next government lights the way to our renewable energy future by:

1. Embracing UK Solar.
2. Bringing the benefits of solar and storage to new homes.
3. Turbo-charging the network for net zero.
4. Building skills for British green jobs.
5. Implement a renewables-first approach to market reform.

As I've mentioned, commitment to renewable energy and a greener future should not be a political issue, and it is heartening to see support from across the political spectrum, but positive messaging only gets us so far. I believe these 5 actions will give the UK solar and energy storage industry what it needs to deliver for citizens by bringing their energy bills down, creating new jobs, and lifting the wider economy.

The renewable energy transition is not only a climate imperative, but the economic prize for seizing the opportunity is significant. Not one technology alone can provide the energy security we need to insulate us from international shocks, but a diverse mix, including solar and battery storage will lead us to this goal.

In the first 100 days the next government should publish an ambitious roadmap to achieving 70GW by 2035, and 50GW by 2030.

We ask that the next government launches this roadmap swiftly, and that it reflects industry's requests to realise a sustainable, energy secure United Kingdom.

Chris Hewett

Solar Energy UK'S Chief Executive

A handwritten signature in black ink, appearing to read 'C. Hewett', with a stylized flourish at the end.



Solar at all scales is the most popular energy technology in the country. Attitude surveys and polls demonstrate this time and again.

Where developments are proposed, the industry is committed to high quality engagement with communities and other local stakeholders to understand and address any concerns. We will be setting out our expected standards of community engagement and of community benefit, which have at their heart the intention to bring communities with us on the journey to net zero.

The barriers to fully embracing solar are an inconsistent planning system, and a lack of joined up thinking on the symbiotic relationship between energy security, food security and restoring nature. We do not have to choose one over the other, and solar can play a key role in all of them.

Planning

The vast majority of solar farms receive local planning permission, but too often, local planning authorities, and sometimes ministers, are producing outcomes which do not correspond with clear national planning policy. Solar development planning refusals are disproportionately more likely to be overturned than any other kind of development when taken to appeal. Not only is this bad signalling for investment, but it's also costing the taxpayer and extending our reliance on expensive, insecure fossil fuel.

National policy for onshore solar and battery storage does not need an overhaul. What we need is consistency and commitment to the policy in place, and leadership at ministerial level.

The next government has the opportunity to send a clear and positive sign to the sector by making swift decisions on three solar Nationally Significant Infrastructure Projects (NSIPs) that will be on the Secretary of State's desk by then. If approved, the government could green light well over 1GW of solar with a stroke of a pen and send a clear message that the UK is open for renewable energy investment.

Land use, agriculture and nature

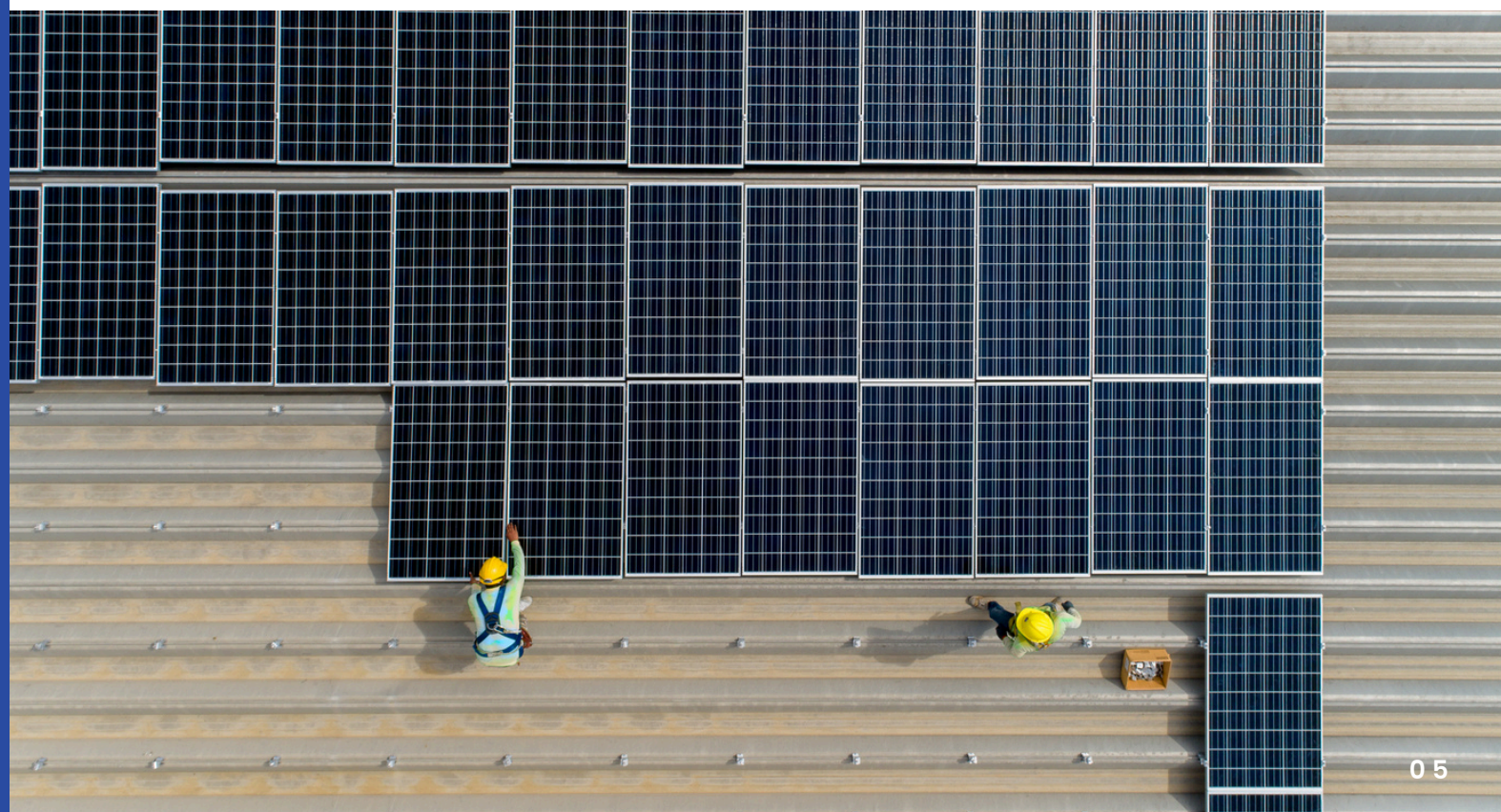
The benefits for the rural economy of deploying ground mounted solar farms are beginning to shine through, with farmers able to rent unprofitable land, now subject to climate related extreme weather and invest in growing Great British produce we all love. We think farmers are best placed to make the decision about what their land is used for, and we endorse the NFU's stance that generating energy can work alongside food production. **The next government should ensure these dual-use benefits are recognised and encouraged by the planning system and agricultural support mechanisms such as ELMS.**

Solar farms also help Britain's depleted nature recover. As highlighted in our last two ecological monitoring reports, solar farms managed for biodiversity are recording increasing numbers of wildflowers, mammals like brown hares, bees, butterflies and birds. Where areas are taken out of agricultural use, the industry is committed to ensure that all solar farms will be nature positive over the lifetime of the project, improving the land and soil.

Maximising solar rooftop potential

Large-scale rooftops across commercial and industrial premises also have a significant role to play in reaching our targets and helping UK plc decarbonise their power consumption. Positive steps have been made to this end, but the next government could lead the way, setting a target for solar installations on the public estate.

Warehouses also need support to make the most of their roof space, and government leadership on addressing grid access concerns will hugely benefit their sector.



The benefits of small-scale solar home

Domestic and business installations of solar panels are hugely popular. At a point in time where we are all conscious of our energy bill, embracing rooftop solar and domestic storage is a key step in the renewable transition that can save people and businesses money.

As the election was called, we had just hit the landmark of 1.5m small scale installations by MCS-approved operators. 500,000 of those installations have been made since the end of Government subsidies in 2019. Retrofitting solar panels and batteries to existing homes is incredibly important and can cut bills significantly, especially as more people use electric vehicles and heat pumps.

However, there is a role for government in ensuring the technologies are accessible for low-income households who may be suffering fuel poverty, and communities that want to invest in their own projects on schools and other public buildings.

Solar in new buildings is more efficient and cheaper to install than retrofitting. By installing solar during development, a new build homeowner can see their bills cut by up to £2,120 per year. This is an easily made change that will bring the benefits of clean energy directly into billpayers' pockets.

National building standards are in urgent need of an overhaul. We need commitment to not only decarbonising our buildings, but also to enabling self-generation and storage, which will help keep energy bills down and relieve pressure on the grid network.

Further to this, steps are also needed to enable Peer-to-Peer trading, to allow schools, community projects, and businesses to buy and sell power in a local network. Not only will this benefit local consumers, but it will take pressure off the wider grid network and increase community power resilience.



Delivering 70GW of solar, 50GW of wind and 60GW of energy storage will be a major achievement in decarbonising our energy system, and in providing the public with clean, secure, affordable electricity.

This achievement will be out of reach without the network infrastructure needed to connect it in a timely and cost-effective way. We can now build most renewable energy generation at a faster pace than we can connect it. This is the case for solar farms, large battery projects and many large solar rooftop investments on factories and warehouses.

Continuing to connect renewable energy infrastructure at this pace will mean delaying the savings that solar provides to consumers and businesses as well as jeopardising our ability to reach our 2035 targets, or even 2050 targets. Those with consented renewable energy schemes could be forced to choose between delaying the build-out of new generation or letting it sit idle while waiting for a network connection, potentially for years.

The biggest obstacle to rapid expansion of solar and energy storage, of all scales, is constraints on the transmission and distribution electricity networks.

The next government should lead the way on the following areas:

- Ensure Ofgem rules allow greater and faster investment for network infrastructure.
- Improve and standardise the service between the network operators and renewable developers to speed up the connections process.
- Modernise the grid management practices to be fit for purpose for solar, storage, wind and demand side management.



The renewable energy industry will be creating thousands of green jobs and green careers, over the next decade. **The next government should work with industry to promote job opportunities in the clean energy transition**, aligned to the wider skills agenda, bringing together education and training with the future needs of employers. This could be focused on Regional Green Skills Hubs, in parts of the country where we know renewables deployment will be high.

There is also a need for Government support (including public investment) to expand the UK supply chain and manufacturing capabilities in solar related technologies and energy storage as well as construction, operation and maintenance.

Green Skills Hubs

A network of green skills hubs, providing joined-up training on the range of clean and low carbon technologies, should be established across the UK. These should provide training for initial entrants into the solar sector and those transferring from other industries, as well as for solar workers with established careers who are looking to progress and senior leaders to support them to grow their businesses sustainably.

Investment in Training

The next Government should work with the solar industry to address challenges that employers and employees can face in financing training, to ensure funding is not a barrier for anyone who wants to train and gain qualifications within the sector.

More Planners and Networks Professionals

To enable proposed solar projects to be assessed as quickly as possible, local planning authorities and planning inspectorates should be provided with more resources and officers be upskilled for solar. There also needs to be greater resourcing for power network specialists to help speed up connection times.



Solar is the cheapest form of power generation – across all renewable and fossil fuel sources. This is confirmed by Government analysis and recent CfD auction results. Solar plays a key role in minimising energy costs for the consumer and in achieving net-zero at lowest overall cost.

The UK must not fall behind EU, US, China, India and others in the global race for clean energy investment. Policy must find ways to attract and keep private investment in the UK by ensuring solar and energy storage has a level playing field with other energy technologies and other countries.

Contracts for Difference (CfD)

The pipeline of shovel-ready projects for Allocation Round 6 (AR6) Pot 1 indicates significant potential, yet current budget allocations will not fully leverage this opportunity.

Industry analysis shows that the existing AR6 budget for Pot 1 will only facilitate the development of less than 2 GW of this pipeline and will fail to make the most of the consented, capacity available to be deployed.

The next government should increase the Pot 1 budget, on an annual basis, to ensure a more robust deployment of solar and onshore wind capacities, maintaining momentum towards the 2035 solar target, grid decarbonisation target, and alleviating future grid connection pressures.

Electricity Generator Levy

The next government should reform the Electricity Generator Levy to ensure tax treatment of renewable generators is on a level playing field with fossil fuel generators. Other market reforms such as REMA, CfD, Capacity Market and Balancing Mechanisms should all be designed to attract clean power investment over high carbon alternatives, including zero carbon storage and flexibility as backup power.

Review of Electricity Market Arrangements (REMA)

The next government will have to make key decisions on the future of the electricity market, which will have far-reaching implications.

REMA reforms must ensure that any future CfD delivers on its core aims: reducing the revenue risk for generators, in turn lowering the cost of capital and delivering the benefits of cheaper energy to billpayers.

With relation to the future of the CfD, we think the following issues which were not identified in the consultation need to be addressed:

- **Transmission Network Use of System (TNUoS) Charges:** TNUoS charges are volatile and unpredictable which poses a major challenge for developers with projects connected to the grid particularly those located in Northern England and Scotland. The transmission charging risk premium must remain in place and under review until there is a clear reduction in the volatility and unpredictability of TNUoS charges.
- **Mitigating the risks of price cannibalisation through extending the CfD length:** The consultation correctly recognises that renewables-led price cannibalisation is a real risk. Increasing the CfD contract length to align more closely with assets' operational lifetime would reduce the exposure to post-CfD merchant risk and provide a hedge for consumers from energy market volatility.

A significant change proposed in the current REMA consultation is that of locational pricing – a dynamic and varied market landscape with different charges depending on where you consume energy.

Introducing a locational pricing market is likely to be more challenging and will take time to implement; there is greater potential for negative impacts on investor confidence and certainty. Solar Energy UK is supportive of an enhanced national market, building and improving the existing mechanisms that we have today to deliver on the policy's ideals and to provide long term benefits to the consumer.

The next government should be very prudent, and any move toward locational pricing should carefully consider the need to incentivise investment into the UK energy market to ensure delivery on our net zero ambitions.

About Us

As an established trade association working for and representing the entire solar and energy storage value chain, Solar Energy UK represents a thriving member-led community of over 400 businesses and associates, including installers, manufacturers, distributors, large-scale developers, investors, and law firms.

Our underlying ethos has remained the same since our foundation in 1978 – to be a powerful voice for our members by catalysing their collective strengths to build a clean energy system for everyone's benefit.

Our mission is to empower the UK solar transformation. Together with our members, we are paving the way for solar to deliver 70GW by 2035 by enabling a bigger and better solar industry.



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