



British Hydropower Association,
Unit 6B, Manor Farm Business Centre,
Gussage St Michael,
Wimborne,
Dorset,
BH21 5HT

FITs Team,
Clean Electricity Directorate,
Department for Business, Energy and Industrial Strategy,
3rd Floor Spur,
1 Victoria Street,
London,
SW1H 0ET

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Consultation Response: Consultation on the Feed-in Tariffs scheme

The British Hydropower Association [BHA] is the only professional trade membership organisation solely representing the interests of the UK hydropower industry and its associated stakeholders at local, regional and national levels.

The BHA represents around 250 members which includes a diverse range of businesses, generators, commercial organisations, academia, charities, community groups and anyone involved in, or with an interest in hydropower.

BHA membership is very diverse, covering all sizes and types of hydropower from Pico to Pumped Storage Hydropower.

Please find the BHA submission to this consultation where we have answered, in detail the 8 questions posed by BEIS.

In our submission we identify a number of serious concerns about the impact that the proposed changes to the Feed-in Tariff scheme will have on the future of the small-scale hydropower sector which include, but are not limited to -

- That the BHA fundamentally disagrees with the proposal to end the Feed-in Tariff [export tariff and generation tariff] by 31 March 2019. The measures taken by

Government in 2015/16 (i.e. technology-specific deployment caps, queuing and tariff digression) provide a framework to control the cost of Feed-in Tariff to consumers.

- The BHA believes that the current closure exception arrangements will create a catastrophic 'cliff edge' scenario for hydropower development. This risks a log-jam of applications with regulators, planners, DNOs, Ofgem and others as there will be a chaotic rush to meet the March 2019 pre-accreditation deadline.
- The BHA believes a more realistic and smoother glide-path to closure after March 2019 instead of the devastating 'cliff edge' would create a softer landing for the industry which would include allowing developers to make use of any unused hydropower capacity after March 2019, permitting new accreditations (for hydro projects) beyond the Feed-in Tariff closure date.

As the BHA stated in our submission to the BEIS 'Call for Evidence on the Future for small-scale low-carbon generation', the level of hydropower deployment stated in the Impact Assessment of 5-10M W per year cannot possibly happen without some form of support mechanism and the BHA estimates that near to zero deployment will occur once the FiT closes to new applicants in March 2019 unless some other support mechanism is provided.

The associated impact on consumer bills from closing the scheme to new applicants is estimated as a 'less than' £1 annual saving to an average UK household, of which the hydropower element is estimated at <5p. Therefore the impact on consumer energy bills, as suggested by BEIS, cannot possibly be described as 'burdensome'.

The BHA is very concerned that the impact on the hydropower industry has not been properly considered compared to the loss of jobs. The impact on jobs is being assessed qualitatively; therefore it is not possible for BEIS to robustly and accurately quantify these effects.

It is the opinion of the BHA that the hydropower development industry is being shut down by BEIS on the back of wishy-washy, unsubstantiated, finger-in-the-air, 'assume-this, assume-that' statements.

In conclusion, the BHA believes that there are significant opportunities and benefits that small-scale low-carbon hydropower generation can provide to the UK energy system which we would wish to discuss with BEIS officials in more detail.

Yours sincerely

Simon Hamlyn

Simon Hamlyn
Chief Executive Officer
British Hydropower Association