



Solar Trade Association
Greencoat House
Francis Street
London SW1P 1DH

Rt Hon Claire Perry MP
Minister of State for Energy and Clean Growth
Department of Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

John Glen MP
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Kit Malthouse MP
Minister of State for Housing
Ministry of Housing, Communities and Local Government
2 Marsham Street
London SW1P 4DF

06 March 2019

OPEN LETTER: INDUSTRY STANDARDS POST FEED-IN-TARIFF

Following the Government's proposal to close the Feed-in-Tariff (FiT) for all new installations we ask you to confirm at the earliest opportunity that the consumer safeguards and protections the FiT scheme ensured through the mandatory Microgeneration Certification Scheme (MCS) requirement will be maintained.

The MCS as a consumer protection has ensured higher standards over and above regulations such as the grid connection engineering recommendations. The scope includes standardised practices and protections such as in calculating energy generation, DC system design, module characteristics and string design, installation methods and structural loading, compliance with building regulations, health and safety, competency and more.

The FiT scheme mandated that installations under 50KW must be installed in line with the higher standards of MCS (or MCS equivalents) in order to receive the FiT payments. Consequently, as the average household installation size is ~3.5KW the overwhelming majority of households with solar in the UK will have been installed to the MCS standard. This is because very little domestic retrofit installations have occurred without receiving the FiT. The wide coverage of the MCS standard has also provided granular visibility of small-scale deployment. This has been a fed into and used to validate Ofgem and BEIS solar PV deployment tracking.

The industry welcomes The Future for Small-Scale Low-Carbon Generation: A consultation on a Smart Export Guarantee inclusion that installations under 50KW must be installed to MCS standards (or equivalent) to receive the 'SEG' tariffs. However, this proposal is insufficient.

The Government has acknowledged that there will be a hiatus between the end of the FiT, on the 31 March 2019, when the Smart Export Guarantee legislation is introduced and when suppliers begin to offer 'SEGs'. The expected duration of the hiatus remains unknown. This hiatus (regardless of its length) means that there is a real risk of installations forgoing the MCS standard during this intermediary period. This could be due to households and businesses being unaware of the requirement to have an

MCS certificate in order to receive the future SEGs or because installers might cease participation in the scheme due to the uncertainty surrounding whether and when SEGs will be introduced, as well as the costs and administration associated with participation. It is very possible that unscrupulous practices could emerge whereby installers promise that customers will be able to receive the SEG once suppliers begin offering them, not mentioning that their installations will be required to be MCS accredited for this to be possible. Indeed, this underlines the need to ensure best practice when selling to consumers; at present FiT installations must be MCS compliant and installers must also comply through stringent mis-selling prevention schemes (e.g. RECC, HIES and related TSI-approved schemes). It is vital that such protections are also included after the end of the FiT scheme and in the SEG scheme.

Furthermore, there is uncertainty concerning the design, implementation and uptake of the supplier-led SEGs. If the tariffs are set too low and do not incentivise customers to participate (as is the threat with the lack of a minimum floor price) there could be cheaper installation offers from non-MCS accredited installers and a greater incentive for even more installers not to renew their membership. Without widespread uptake, the value of the MCS database to the Government tracking of small-scale deployment would also subside and there is concern that there is no plan to ensure the accuracy of their deployment tracking is maintained.

The solar PV industry has matured and consumer protection should no longer be tied to specific and temporary policies. Instead of this piecemeal approach to ensuring consumer standards are protected, we suggest that it is made mandatory for every installation <50KW. The following options could ensure this:

- The requirement for an MCS certification for an installation to connect to the network
 - Installations that are connected to the network must submit a G83 (soon to be G98) application. The MCS accreditation could be a condition of such agreement.
- Insurance
 - Buildings and Content Insurance would include solar PV. As such, this insurance could be tied to an MCS certification.
 - Installations are covered through workmanship guarantees. The MCS accreditation could be linked to receiving this insurance cover.
- Mortgage Lenders
 - The Council of Mortgage Lenders guidance states that installers must be MCS registered both for new solar panels being installed at the time of purchase of a property and for solar panels that are already installed or lending can be refused.
 - It is important that both customers and installers are aware of this requirement.

We do not see these options as mutually exclusive, but believe that it is the clear responsibility of the Government to ensure that the standards of consumer protection in place under the FIT are not eroded by default when it closes. The signatories of this letter would be happy to discuss this further.

Yours sincerely,

