

# MAYOR OF LONDON

**Andrea Leadsom MP**  
Minister of State for Energy  
Department of Energy and Climate Change  
3 Whitehall Place  
London  
SW1A 2AW

**Our ref:** MP20151022

**Date:** 22/10/2015

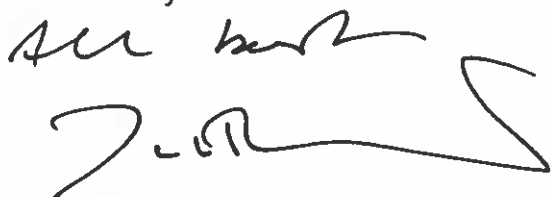
*Dear Andrea*

Please find enclosed the Mayor's response to the Government's consultation on its proposed changes to the Feed-in-Tariff for solar PV generation.

The Mayor strongly endorses the Government's view that subsidy should be reduced as fast as is practicable and reasonable; renewable energy, including solar PV, must be cost competitive and not have an adverse impact on consumers' bills. In the past few years solar PV costs have come down extremely quickly so that it is almost within grid parity and is likely to be cost competitive without subsidy in just a few years.

However, the Mayor believes that the solar PV industry needs some certainty over the next few years as it transitions to a subsidy-free and long-term sustainable future. Pipelines need to be built and subsidy-free business plans made to secure investment to ensure the industry is sustainable. Unfortunately the current proposals, which have been consulted on, with little or no prior warning, to come into force in the new year has created great uncertainty in the solar PV industry, potentially putting at threat thousands of jobs across the UK. The Mayor is concerned about the potential impact on the 3,100 jobs, mainly in SMEs, which make up the solar PV industry in London. In addition his energy efficiency programmes have been affected by the current uncertainty.

The Mayor's view is that in order to ensure an orderly transition to a subsidy-free solar PV industry, there should be a gradual tapering of the FIT over a two-three year period. This would provide a clear pathway, avoiding a sharp cliff-edge and providing that certainty for the industry, investors and consumers thereby reducing the impact of business and job losses, creating a sustainable, subsidy-free solar PV industry.



**Matthew Pencharz**  
Deputy Mayor for Environment & Energy