

Robert Courts MP



HOUSE OF COMMONS

LONDON SW1A 0AA

robert@robertcourts.co.uk

Mrs Sharon Groth
Clerk, Witney Town Council
Town Hall
Market Square
Witney
Oxon OX28 6AG

Friday, 16th October 2020
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Thank you for your letter on behalf of the Town Council regarding the Local Electricity Bill.

I believe distributed generation may have a role to play a part in a smarter, more efficient energy system and small scale low-carbon technologies should have a level playing field as the market for smarter services evolves.

Community energy is a key part of clean growth and can de-carbonise energy in local areas while bringing other economic or social benefits. That is why I the welcome the introduction of the Local Energy Programme which supports local actors, community groups, local authorities and combined authorities to develop their own energy strategies and deliver their own energy programmes.

Since 1st January 2020 the previous Feed-in Tariff scheme has been replaced with the Smart Export Guarantee, which gives small-scale low-carbon electricity generators, such as homes with solar panels, the right to be paid by certain electricity suppliers for the renewable electricity they export to the grid.

This new scheme could create a whole new market, encouraging suppliers to competitively bid for this electricity, giving exporters the best market price while providing the local grid with more clean, green energy, unlocking greater choice and control for solar households over buying and selling their electricity. It reflects the Government's continued commitment to ensuring that low carbon electricity is central to the transition to the smart and flexible energy systems of the future.

Regarding the Bill itself. The Local Electricity Bill, introduced by Peter Aldous MP, has had its First Reading in the House of Commons. Its Second Reading is scheduled for 11 September.

Whilst changing the licensing framework to suit business models identified in the Bill may appear to be a potential fix to address a specific problem, it risks creating wider distortions elsewhere in the energy system. These are issues which require careful consideration which this Bill does not offer. Instead it is better to make our current regulatory regime more flexible and seek to equip it to meet the challenges of a changing energy system. Both Government and Ofgem are actively responding and will continue to rise to this challenge.

Thank you again for taking the time to contact me.

Robert Courts MP

*From the Member of Parliament for the constituency of Witney in West Oxfordshire
including Bampton, Burford, Carterton, Charlbury, Chipping Norton, Eynsham, Witney and Woodstock.*