

Anger after government halts solar energy grant programme

Ashley Seager

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The government has run into a storm of criticism after quietly closing its grant programme for solar energy last week, which campaigners said made a mockery of its commitment to build a low-carbon economy.

The controversial low-carbon buildings programme is a grant system aimed at boosting renewable energies including wind, biomass and solar. It was due to close this summer but last week the Department of Energy and Climate Change (DECC) put an announcement on its website saying that applications for solar photovoltaic (PV) projects on public buildings such as schools and hospitals were running at such high levels that they had used up their allocated share of half of the £50m grant pot ahead of time.

PV has proved to be the most popular renewable technology under phase two of the grants programme and the industry argues that the unspent money available for other technologies should be thrown open to PV because otherwise it simply will not get spent. They also want the grant money recycled to other projects if some are cancelled.

But environmental campaigners are furious that the solar industry will undergo a gap in support for well over a year at a time when Gordon Brown and other ministers are talking of creating 400,000 green jobs as a way of boosting the economy and combating climate change.

Paul King, head of the UK Green Building Council, said: "The prime minister has talked of the need to both invest in low-carbon infrastructure and to stimulate the economy. [This grant system] did just that, so it seems absurd that government has now suspended grant applications for solar PV. This emerging industry needs to be confident of government's commitment – which this decision seriously calls into question."

A DECC spokesperson said: "We recognise that the popularity of the low-carbon buildings programme has led to an over-subscription in solar PV applications. We are discussing with industry what options are open to us to address this." But Friends of the Earth accused DECC officials of standing in the way of progress towards a low-carbon economy by remaining too sympathetic to fossil fuel energy companies.

"DECC needs root-and-branch reform to cull these people who are trying to destroy our best efforts to move to a low-carbon, green energy system without which we have no hope of meeting our carbon-reduction commitments," said FoE campaigner Ed Matthew.

A coalition of MPs, businesses and charities known as the Aldersgate group has written an open letter to the chancellor, Alistair Darling, urging him to match the green stimulus of the United States in the budget next month.

The letter said this would create UK jobs and competitive advantage in lucrative environmental markets, reduce fuel bills and improve energy security.

Peter Young, chairman of the group, said: "The government's aspirations for a low-carbon industrial strategy will only be credible if they are matched with genuine ambition in the upcoming budget. We have heard the rhetoric, we now need to see action. If not, the UK will fall further behind in the race to establish jobs, expertise and growth in the industries of the future."