

News Release

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FARMERS NEED TO FOCUS ON RENEWABLE ENERGY OPTIONS

Farmers and landowners who are still considering whether or not to diversify into renewable energy production have had a sharp reminder this week of the need to focus on which type of system to opt for or they could lose out completely. This follows the announcement by the Government of the start of the first review of the Feed in Tariffs (FITs) scheme for small scale low carbon electricity generation

“Two main concerns have been brought into focus as a result of the statement made on 7th February by Chris Huhne, Secretary of State for Energy and Climate Change,” explains Kirsty Macpherson, Head of Gillespie MacAndrew’s Energy Group.

“The first is the risk that many farmers or landowners who are looking to opt for wind or hydro energy generation schemes may miss out due to the fact that there is a danger that large scale solar photovoltaic (PV) schemes appear to be taking a disproportionate amount of the available funding. In Scotland, simply due to our geography, wind and hydro schemes are more practical than solar ones. It would be wrong if large scale take up of the latter empties the FITs ‘pot’ at the expense of the other two schemes.

“This situation is compounded by the fact that the Government is seeking to make the FITs scheme fiscally more efficient and has also indicated it is seeking 10% of savings (£40 million) within the scheme in 2014/15. Therefore, I believe that Scottish farmers and landowners who are looking to diversify into renewable energy derived from hydro or wind sources should do so sooner rather than later.

“The second matter brought into focus by the Minister’s announcement is the fact that there has been a disappointing introduction of farm-based Anaerobic Digestion schemes, apparently due to the low level of tariffs on offer for this form of energy generation scheme. To that end, the Government is going to review the tariffs for such schemes and this could be good news for farmers who may be considering such an option. Schemes using slurry, crop waste or vegetable waste as the biogas source could be attractive to farmers, but only if the price is right.”

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