

## Government accused of 'destroying 25,000 green jobs'

Ministers have been accused of destroying 25,000 jobs and "bankrupting a whole industry", after the Government unveiled plans to slash subsidies for green energy.



Workmen installing solar panels on to the roofs of homes Photo: PA

By Rowena Mason, Political correspondent

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Hundreds of solar companies are likely to go bust by Christmas after the Department for Energy and Climate Change confirmed it is looking to halve subsidies for new panels.

Greg Barker, minister for climate change, said the "feed-in tariff" subsidies are currently too generous, because the cost of installing solar panels has fallen.

The proposed cuts, due to come into force from December, will see the amount earned from each panel fall from 43.3p per kilowatt hour of solar power to 21p. This will save energy customers around £23 a year - or £700m in total - because the subsidies are funded through electricity bills.

However, the industry warned that many home owners and companies may immediately back away from the flagship scheme because it wouldn't now take up to 25 years to earn back their investments.

Gaynor Hartnell, chief executive of the Renewable Energy Association, said: "The installation rate is likely to fall drastically, and many of the 25,000 newly-employed in this industry may end up joining the dole queue."

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[Government halves solar panel payments](http://www.telegraph.co.uk/finance/personalfinance/investing/8860876/Blow-for-home-owners-as-Government-halves-solar-panel-payments.html)

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[Huhne attacks wind farm critics](http://www.telegraph.co.uk/earth/energy/renewableenergy/8849093/Chris-Huhne-attacks-curmudgeons-and-faultfinders-who-dont-like-wind-farms.html) (<http://www.telegraph.co.uk/earth/energy/renewableenergy/8849093/Chris-Huhne-attacks-curmudgeons-and-faultfinders-who-dont-like-wind-farms.html>)

[Solar panels and double glazing often fail to cut bills](http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/8775547/Solar-panels-and-double-glazing-often-fail-to-cut-bills.html)

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The announcement also came on the same day as Prime Minister David Cameron unveiled plans to spend £950 million on creating 37,000 new jobs and safeguarding thousands of others.

But Daniel Green, chief executive of Home Sun, a solar company, accused the Prime Minister of betraying his trust after giving him two personal assurances of his support for the growing solar industry.

"They have effectively bankrupted thousands of companies, including 25,000 jobs," he said. "Most of them will be gone before Christmas. We built a business on the back of David Cameron's promises. He has betrayed us twice. Anybody thinking of investing in government-sponsored green opportunities, I would advise them to run away.

"All my business will stop with immediate effect if this goes through. It's an extremely black day."

A coalition of business groups and charities is considering whether to launch a judicial review against the Government's proposals, which are now subject to consultation.

Howard Johns, of the Cut Don't Kill campaign in support of solar power, said: "Such deep cuts to the tariff would kill the UK solar industry stone dead. We are happy to accept some cuts, but the Government must recognise that wiping out 4,000 companies and 25,000 jobs by cutting too deeply would be an appalling waste of economic potential."

However, the Government insisted that the cuts to subsidies had been needed as companies were making too high a return on the panels. Greg Barker, climate change minister, said the cost of a solar panel had fallen from £13,000 to £9,000 since the scheme started up.

He added: "Although I fully realise that adjusting to the new lower tariffs will be a big challenge for many firms, it won't come as a surprise to many in the solar industry who've themselves acknowledged the big fall in costs and the big increase in their rate of return over the past year.

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