

Lord Truscott
Parliamentary Under Secretary of State for Energy
Department of Trade and Industry
LG52
1 Victoria Street
London
SW1H 0ET

2 March 2007

Dear Lord Truscott

I refer to my letter of 1st February to which I have not had the courtesy of a reply. In order to ensure that the letter reached your attention we took a page advertisement in the 20th February edition of Whitehall & Westminster World where my letter appeared on the page facing the page upon which your article "United Not Divided" was printed, so I assume that you have personally read my letter.

I really think that the government has to abandon Climate Change as a topic for gesture politics and make some hard decisions.

Phase 2 LCBP runs the real risk of closing many hard working committed small businesses that supply micro renewable energy systems by giving the so called framework companies (most of whom have no experience in these fields) a guaranteed turnover of at least £7 million of solar thermal business.

Given the size of the existing solar thermal business, this will have the effect of distorting the market significantly. Additionally, despite your statements in your article in Whitehall & Westminster World about the need for Europe to work together the Phase 2 tender process did not reflect any degree of European partnerships neither do the collectors chosen. This is surprising given the considerably greater European experience, know how and technology in this field of renewable energy.

In addition to what I have described as the disaster of Phase 2, you must also deal with the farce of Phase 1, householders' grants.

You must know by now that once again the March allocation of grants ran out within a few hours of it being available

on the first day of the month. Can you imagine what damage this does to the solar thermal industry?

In case you cannot imagine the damage let me explain: throughout the country people want to buy solar thermal systems. They hear that there is a grant of £400. They apply for it. Their contractors tell them that it's best to apply as soon as possible on the first of the month to have a chance of getting the grant. The contractor cannot install the system before a grant has been approved, because that breaches the grant conditions. Everyone waits. The customer waits. The contractor and his team waits. The manufacturer that supplies the systems waits. No one knows what is going to happen. No one knows whether they'll get the grant.

If someone is lucky and gets the grant that person gets a solar system. If someone is unlucky what happens? That person reapplies on the first of the following month. More customers wait. More installers wait. More manufacturers wait, and of course the carbon savings wait.

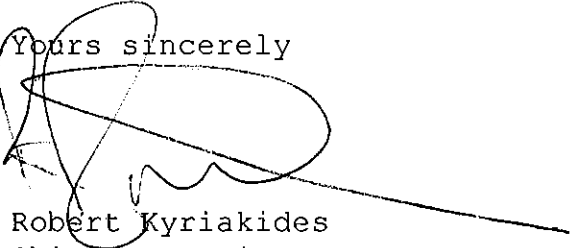
If that person fails on the first of the following month what happens then? Usually the customer is fed up with waiting, cancels the order and the installation is lost.

It is possible that a more damaging grant scheme could be devised but I cannot think of how. This is incompetence on a grand scale and needs to be addressed without further delay.

I do hope that you will consider these issues important enough to merit some of your immediate attention.

It is easy for me to be critical of something that is obviously wrong. I am prepared to do more than criticise; I am prepared to help in any way possible to ensure that the grants schemes are fit for their intended purposes.

Yours sincerely



Robert Kyriakides
Chief Executive
Genersys plc