



Renewables Feed-in-Tariff Starting April 2010 – Making money and saving the planet

Earlier this year the UK Government finalised the so-called Feed-in Tariff, also known as the 'Clean Energy Cashback' scheme. This means that from April 2010, homeowners who install different types of renewable energy (solar, wind etc.) will be **paid a substantial premium for all of the electricity they generate** making many renewable energy systems a fantastic investment, as well as an insurance against rising electricity prices and a way to cut carbon.

What are the Feed-In Tariffs?

They are a set of Government defined tariffs which your utility company must pay you for every kilowatt hour of electricity you produce from your own renewable energy systems. The Feed-In Tariffs are for everyone – homeowners, tenants, businesses, schools, hospitals, farmers or landlords.

How much money are the Feed-In Tariffs worth?

First of all you will save money by having to import less electricity because you will be generating a lot of what you use.

Secondly, your utility company will pay you up to 41.3p/kWh (kilowatt-hour) whether you use it or not. It depends on exactly what systems you use and how large they are as to what the exact tariff level is.

Thirdly, your utility company will pay you an additional 3p/kWh for the electricity you export back to the grid.

How long do the tariffs last?

A minimum of 20 years, except for solar PV which will last 25 years and the payments will rise with inflation over this time.

Is that long enough to cover the installation costs?

Yes, is the simple answer. In fact, most customers are expected to earn enough money from the tariffs to pay off their installation costs in seven to ten years. According to the Government, which has set the tariff levels, the average user will earn a return of **around 8-9% per annum** (N.B. this is post-tax as income from the feed-in tariffs is not taxed).

When do they start?

Tariffs will be paid starting in April 2010. However, any suitable system installed from now on will be eligible for the tariffs when they begin.

What this means in practice

The solar PV (generating electricity from solar energy) tariff is the most generous and is set at 41.3p per unit for homeowners installing a new system. In addition you will also receive an additional payment of 3p for the units they export to the grid.

Here's an example for what it means for you, based on a typical size of domestic solar system (12 panels) on a south-facing roof in the UK:

- For a 12 panel system, fully installed, **typical cost is £12,500** today you'll be paid 41.3p for every unit that the system generates, worth £878
- Some of the electricity from the system will be used by your home instead of grid electricity, and the rest exported to the grid - If this is split 50:50, you'll then get £138 of electricity savings and £32 of export income as well the £878: a total of **£1,048 of income and savings**
- These values are inflation-linked, so what you get will go up each year. **The system pays back in 10 years**
- This is equivalent to a profit of £25,000 over the 25 years of the scheme, or a **return of 9%**

What the Feed-in Tariff means for you



<p>Average annual net benefit = £730</p> <p>Average annual income & savings = £1048</p> <p>Average annual electricity bill = £318**</p> <p>Carbon dioxide emissions avoided = 1200kg</p>	<p>Average annual electricity bill = £460**</p> <p>Carbon dioxide emissions = 1410kg</p>
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(annual)
 Income from Feed-in Tariff = £878
 Savings on your bill from solar electricity† = £138
 Income from exporting solar electricity† = £32

* DECC publication - Quarterly Energy Prices
 ** Energy Saving Trust (EST) - 13.95p per kWh
 † EST - 50% export and avoided cost
 Note: based a 2.5kWp solar electric system producing 2125kWh per year

Source: solarcentury.com

While solar PV receives the largest feed-in tariff, other technologies including wind (up to 34.5p/kWh), micro-CHP (10p/kWh) and hydro (17.8p/kWh) will also benefit from feed-in tariffs.

There are a wide variety of companies that can help supply and install renewable energy systems. Listed below are some well-known suppliers:



www.solarcentury.com

Specialist focused on solar PV



Chelsfield Solar

www.chelsfieldsolar.co.uk/index.htm

Installed a system at Sunnyside Church



<http://www.ownenergy.co.uk/>

Provides support for a variety of renewable technologies

In addition if you would like to measure the potential of your site for wind and solar electricity, Transition Town Berkhamsted have purchased equipment to help you do this (as well as 'OWL' energy efficiency devices) which we will loan to interested householders. Please contact Seb Beloe (beloe@live.co.uk) at Transition Town Berkhamsted for more information.