

# Feed-in Tariffs

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# Feed-in Tariffs – Key Points



- Guaranteed payment for:
  - eligible electricity generated
  - eligible electricity exported
- Eligible technologies are:
  - Wind
  - Solar photovoltaic
  - Anaerobic digestion
  - Hydro
  - Micro-CHP (pilot)
- Limited to 5MW per technology per site

# Feed-in Tariffs – Key Points (2)



- Time limited
  - wind, hydro and AD: 20 yrs
  - solar PV: 25 yrs
  - micro-CHP: 10 yrs
- Available since April 2010
- Installations commissioned after 15 July 2009
- Additional to existing renewables obligation scheme
- FITs and grants



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## What are the tariff rates?

- Announced by 1 March each year
- Generation tariffs:
  - Banded
  - Set out in electricity supply licence
  - Adjusted annually by RPI
  - Banding reviews
- Export Tariff
  - 3p per kWh
  - But can chose to sell elsewhere
- May be tax free for individuals

# Accreditation



- Must be on the FIT Register to receive FITs
- Two accreditation processes:
  - Microgeneration Certification Scheme (“MCS”) or equivalent
  - ROO-FIT
- MCS
  - Both the installer and the equipment must be accredited
- ROO-FIT
  - ▶ Process undertaken by Ofgem

# MCS Accreditation



- Wind, solar and hydro up to 50kW
- All micro-CHP
- NB – AD always goes through the ROO-FIT process

# EXTENSIONS



- Must remain within the 5MW limit
- Treated as the same installation if extended within 1 year
- Treated as a new installation if extended after 1 year
- If extended using a separate technology, extension is a separate installation



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## Who pays?

- FITs Licensees
- Mandatory FITs Licensees
  - The “Big 6”
- Voluntary FITs Licensees
  - Ecotricity, Good Energy, First Utility etc
- Must have agreed a statement of FIT terms
- Payments based on generation meter readings and export meter readings OR deemed output
- Deemed output if less than 30kW (50% except hydro 75%)
- Switching
- Levelisation process



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## When do they pay?

- No less than quarterly unless otherwise agreed



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## Obtaining FITs

- The FIT Generator is entitled to the FITs
- The FIT Generator can appoint a Nominated Recipient to receive the FITs
- Own the equipment
- Take equipment on hire purchase or conditional sale agreement
- Generally no FITs if received a grant but exceptions
- Submit meter readings

# Models



- Roof leases
- Ground leases
- “Free” solar panels



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## FITs take up to date

- Primarily domestic
- Primarily solar
- Lots in Yorkshire!
- Commercial scale now coming through

# Where is the money coming from?



- Homeowners
- On balance sheet
- Developers
- Investors
- Banks

# The future



- Threats
  - Limit the number of large scale schemes
  - Reduce the maximum capacity for solar
  - Cuts to the tariff rates

Contact



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