

Feed-in Tariff (FIT) Scheme

Feed-in Tariffs (FITs) were introduced to Great Britain on 1 April 2010. The scheme requires energy suppliers to make regular payments to householders and communities who generate their own electricity from renewable or low carbon sources such as solar electricity (PV) panels or wind turbines.

The scheme guarantees a minimum payment for all electricity generated by the system, as well as a separate payment for the electricity exported to grid. These payments are in addition to the bill savings made by using the electricity generated on-site.

About the FIT Scheme

The scheme covers the following electricity-generating technologies, up to 5 Mega Watts:

- Solar electricity (PV) (roof mounted or stand alone)
- Wind turbine (building mounted or free standing)
- Hydroelectricity
- Anaerobic digestion
- Micro combined heat and power (mCHP) currently limited to a pilot

The tariffs available and the process for receiving them vary, depending on when the technology was installed, and whether the system and the installer were certificated under the MCS* scheme. Please see below for further details.

Full FIT payments will be paid if:-

- The technology was installed between 15th July 2009 and 31st March 2010; or
- It is installed on or after 1st April 2010 using an MCS certificated product and by an MCS* certificated installer; and
- The system installed on or after 1st April 2010 is MCS* certificated

* The Microgeneration Certification Scheme (MCS) is an independent scheme that certifies microgeneration products under 50kW and installers in accordance with consistent standards.

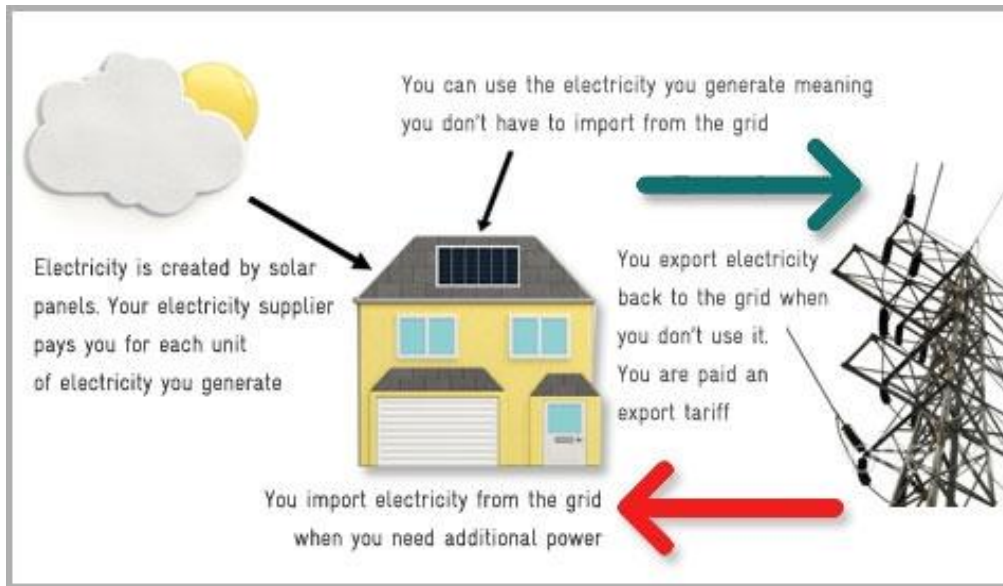
Any systems over 50kW and all anaerobic digestion installations must apply directly through the ROO-FIT process as they are not covered by the MCS.

How the scheme works

Eligibility to receive the FIT brings benefits through revenue or payment savings:-

1. **Generation tariff** – a set rate paid by the energy supplier for each unit (or kWh) of electricity generated. This rate will change each year for new entrants to the scheme (except for the first 2 years), but once joined the rate continues on the same tariff for 20 years, or 25 years in the case of solar electricity (PV).
2. **Export tariff** - A further 3p/kWh from the energy supplier will be paid for each unit exported back to the electricity grid, when not used on site. The export rate is the same for all technologies.
3. **Energy bill savings** – Savings will be made on electricity bills, because generating electricity to power appliances means not so much energy is bought from the energy supplier. The amount saved will vary depending how much of the electricity is used on site.

Example of how the Feed-in Tariff works



As an example, a typical domestic solar electricity system, with a rated size of 2 kWp could earn around:

- £700 per year from the Generation Tariff
- £25 per year from the Export Tariff
- £110 per year reduction in current electricity bills.

This gives a total saving of around £830 per year. This assumes 50% of the electricity generated is exported, this figure will vary.

How to Participate

An additional electricity meter will be required to measure the electricity that the system is generating, and also to measure how much is being fed back into the electricity grid.

Once the generating technology has been installed the energy supplier is informed of eligibility to receive the FIT. The supplier will

then register the installation onto the Central FIT Register which is administered by Ofgem. Payments will be made by the energy supplier at intervals to be decided between the consumer and the supplier. Meter readings may be required for the suppliers if requested.

To opt out of the guaranteed export tariff the supplier must be informed. This will be relevant if a power purchase agreement is used.

Tariff levels, for technologies installed between 15th July 2009 and 31st March 2012

Technology	Scale	Tariff level (p/kWh)	Tariff lifetime (years)
Solar electricity (PV)	≤4 kW (retro fit)	41.3	25
Solar electricity (PV)	≤4 kW (new build)	36.1	25
Wind	≤1.5 kW	34.5	20
Wind	>1.5 - 15 kW	26.7	20
Micro CHP	≤2kW	10.0	10
Hydroelectricity	≤15 kW	19.9	20

The tariff levels shown in the table above apply to installations completed from **15 July 2009 to 31 March 2012 for the lifetime of the tariff**. After this date, the rates decrease each year for new entrants into the scheme.

All generation and export tariffs will be linked to the Retail Price Index (RPI) which ensures that each year they follow the rate of inflation.

Other Points

- Domestic installations which received a grant will still be eligible for FITs.
- Non-domestic installations (charities, schools communities and other not-for-profit organisations) which received a grant under stream 2 of the Low Carbon Buildings Programme after 15 July 2009, have the choice of either:
 - retaining their grant and not being eligible for FITs; or
 - repaying their grant and claiming FITs.
- Those who received a Stream 2 grant before 15th July cannot claim FITs. However, up to 31st March 2010 they may be able to apply to Ofgem for a ROC, to qualify for the lower tariff of 9p/kWh, as well as the 3p/kWh export tariff.
- FIT eligibility remains with the installation, even if the ownership of the home or generating technology changes. Therefore the technology must have been eligible before you move in, even if it is not registered yet.
- Ownership of the technology is linked to the site and, therefore, in the case where a building or homeownership changes, the ownership of the technology would also transfer to the new owner.
- It will be up to landlords and tenants of domestic or commercial property to come to an arrangement about the receipt of payments and on-site electricity use benefits.
- Generation must be metered and FITs payments are made to generators on the basis of metered generation. Meters will need to be able to measure generation, usage and import. However, as an interim measure, DECC has announced that at the very small scale, the amount of exports for the payment of export tariffs can be deemed (estimated), subject to the following:
 - These arrangements will only apply until the finalising of specifications for smart meters;
 - These arrangements do not apply if export meters exist already, or are provided at the generator's expense.

Who We Are

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