

Feed-In Tariffs

MEA factsheet #2e



Feed-In Tariffs (FITs) is a new Government-backed initiative to make it more worthwhile installing renewable or low carbon energy technology in your home, business or community. It enables everyone to lower their carbon footprint and help tackle climate change, whilst at the same time reducing their energy bills and adding to the value of their home. It is hoped it will also stimulate the whole renewables industry and create new jobs, as similar schemes in Germany and Denmark have done. PV solar panels, wind turbines, anaerobic digesters and hydroelectric technologies are all covered.

A similar incentive, the Renewable Heat Initiative (RHI) is being developed for domestic renewable heat systems such as wood fuelled and solar hot water systems and will be introduced in April 2011. Details are to be announced shortly. FITs and the RHI have now replaced the Low Carbon Buildings grants programme.

How do they work?

By using a special two-way meter, FITs allow you to sell electricity into the national grid at a higher rate than you would buy it. Fully insulating your home and using as many energy saving technologies as possible will maximise your income from the scheme. In addition, you get paid for any energy you produce, even if you use it all yourself. Thirdly, even if you're not fortunate enough to become self sufficient in electricity, the amount you have to buy in from your supplier will drastically reduce.

Installing a PV solar panel could earn you up to £900 per year.



PV solar roof tiles

What are the savings?

The exact amount earned and saved depends on the type and scale of the technology. The government estimates that a typical 2.5kW (well sited) solar PV installation will offer a homeowner a payback of up to £900 and savings of £140 a year on their electricity bill. Generally, over the lifetime of the tariff you will recoup the initial investment two or three times over. The tariffs will be index linked to allow for inflation. You will maximize your savings by fully insulating your home and using as many energy saving technologies as possible.

Visit energysavingtrust.org.uk and search for clean energy cashback.

Choosing a system

PV solar panels should face between SW and SE to maximize the use of available sunlight. They don't need bright sun – any daylight will produce some power - but the more direct sunlight they receive the more cost effective they will be.

Wind turbines need an average wind speed of at least 4.5 metres per second (m/s), but perform best at above 5-6 m/s. You can find the average wind speed for your grid reference or postcode area online. This doesn't take into account local factors - a valley location will get much less wind than a nearby hilltop, for example. In particular, wind turbines are not recommended for urban areas due to turbulence from neighbouring buildings.

To find the average wind speed for your area visit decc.gov.uk and search for windspeed database.

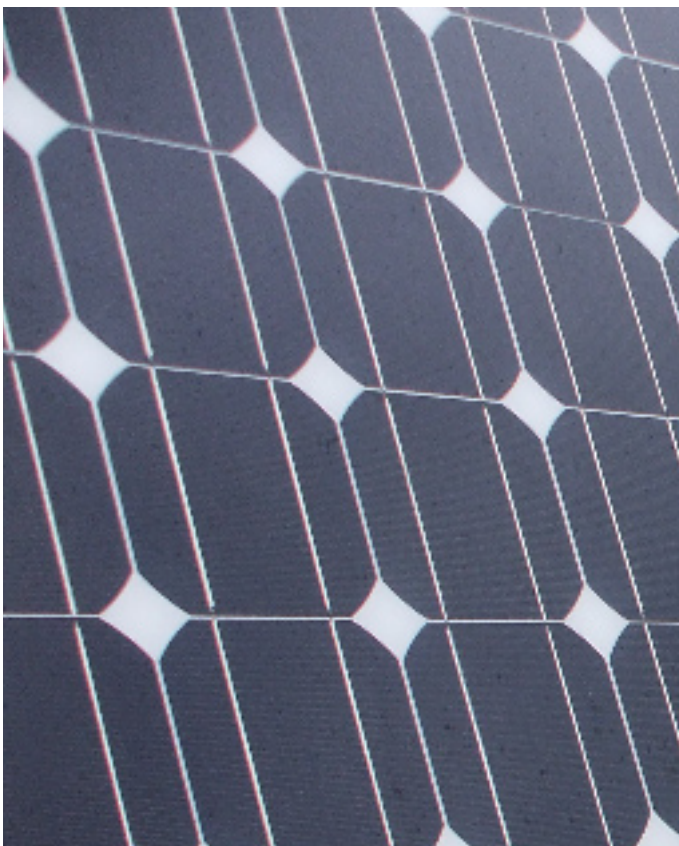


Roof-mounted vertical axis wind turbine

What are the installation costs?

According to the Energy Saving Trust, (2009) typical supply and installation costs are as follows:

Wind turbine (roof mounted)	From £1500
Wind turbine (mast mounted)	£11000-£19000
PV Solar Panels	£8000-£14000
Small Scale Hydroelectric	£20000-£25000



PV solar panel

In Germany, where FITs were introduced in 2000, supported installations produce 7% of all electricity and 170,000 people now work in the renewables sector.

Are there any restrictions?

Feed-In Tariffs are paid for a period of 25 years for solar installations, or 20 years for all other qualifying technologies. They cover “microgeneration” installations up to 50kW – plenty for most domestic or small commercial installations. You will qualify if the technology was installed between 15th July 2009 and 31st March 2010 or if it is installed on or after 1st April 2010 using a Microgeneration Certification Scheme (MCS) certificated product and by an MCS certificated installer.

Generally, small-scale wind or solar installations will not need planning permission unless you are in a listed building or conservation area but you should check with your local authority first.

Further Information:

General information
energysavingtrust.org.uk
cat.org.uk

PV solar and solar hot water
solar-trade.org.uk

Wood heating systems and fuel
nef.org.uk/logpile

MCS registered products and installers
microgenerationcertification.org

Other supplier and installer directories
accessrenewables.co.uk
realassurance.org.uk

Please note this is not an exhaustive list and is not an implied recommendation of any product or service

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