



Feed-in Tariff Scheme

Feed-in Tariff Scheme

Also known as the Clean Energy Cashback Scheme

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1. Purpose of the scheme

Renewable electricity is an alternative form of electricity generated from sources that releases much less CO2 into the atmosphere. A barrier to generating renewable electricity yourself can be the very high up-front costs. To encourage more people to generate their own electricity the Government has created the **Clean Energy Cash Back Scheme** (or **Feed in Tariffs**). This creates an opportunity for everybody to become electricity generators. The scheme exists in Scotland, England and Wales but does not run in Northern Ireland where generators qualify for the Northern Ireland Renewable Obligation (NIRO).

Encourage more renewable electricity generators

2. Description of the scheme

The Feed-in Tariff (FIT) guarantees you a minimum payment for each unit of electricity you generate from renewable sources. This means that anybody that wishes to invest in buying and installing eligible technologies can be confident that the cost of their investment will be recovered. The name comes from the German system where generators were given a fixed price for every unit of electricity they exported to the grid. The scheme is different from the German scheme because in the UK the generator is paid for every unit they generate, even if they use all the electricity themselves (the generation tariff). If the generator does export electricity to the grid they will be paid an extra tariff on top of the FIT (export tariff).

In reality most small-scale installations will receive the export tariff for 50% of their generation as this is the average amount exported by domestic homes.

You are paid for every unit you generate & extra for selling unused units back to the grid

3. Length of the scheme

The FIT will last 20 years for all eligible renewable electricity generators, (previously 25 years for solar photovoltaic). The FIT will be index linked so it will increase each year by the rate of inflation (RPI). The scheme will be reviewed annually to check that the scheme is working well and able to provide a quicker response to cost and market change. Once the installation has been registered for the feed-in tariffs it will be able to claim the feed-in tariff that applies at the time of registration for 20 years.

Payments are guaranteed for 20 yrs

4. Eligible technologies

The table below shows how much you will earn if your solar PV system is installed after 1 October 2015 and before 1 April 2016. (Note: Tariffs will increase with inflation annually).

Technology	Scale	Eligibility date 1 Oct 2015 to 31 Dec 2015		Eligibility date 1 Jan 2016 to 31 Mar 2016		Export tariff
		Standard generation tariff	Lower tariff if energy efficiency requirement not met	Standard generation tariff	Lower tariff if energy efficiency requirement not met	Eligibility date 1 Oct 2015 to 31 Mar 2016
PV	≤4 kW	12.47	5.94	12.03	5.73	4.85
PV	>4-10 kW	11.30	5.94	10.90	5.73	4.85
PV	Stand alone system	11.30	5.94	10.90	5.73	4.85

All tariff tables for all of the eligible technologies and their FIT bands are available on the Ofgem website. <https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables>

If you do not use all the electricity you produce you will also receive 4.85 pence for every kWh you export

back to the grid (the export tariff). It may be possible for you to negotiate a better export tariff rate with your electricity supplier though they may only be interested in larger installations with export meters.

$$\text{Generation income} + \text{Export income} + \text{Savings on current bills} = \text{Total value}$$

5. Example

A typical home uses 3,300 kWh (units) of electricity annually. A south facing 2 kWp solar PV system at 30 degrees in Sheffield (zone 11) and with no shading would generate around 1,770 kWh per year. For systems installed between 1 Oct 2015 and 31 Dec 2015 the generation tariff would be 12.47 pence per kWh.

Generation Tariff Income

$$\begin{array}{l} \text{Generation tariff} \\ \text{£0.1247} \end{array} \times \begin{array}{l} \text{Number of units} \\ 1770 \end{array} = \begin{array}{l} \text{Tariff income} \\ \text{£220.72} \end{array}$$

The estimated annual income from the tariff would be £220.72.

Number of Units Used/Exported

A typical household would use around 50% of the electricity (885 kWh) and export 50% to the grid.

$$\begin{array}{l} \text{Number of units} \\ \text{generated} \\ 1770\text{kWh} \end{array} \times \begin{array}{l} \text{Percentage} \\ \text{exported} \\ 50\% \end{array} = \begin{array}{l} \text{Export tariff units} \\ 885\text{kWh} \end{array}$$

Export Tariff Income

The export tariff is 4.85 pence for every unit that you export back to the grid.

$$\begin{array}{l} \text{Export units} \\ 885\text{kWh} \end{array} \times \begin{array}{l} \text{Export tariff} \\ \text{£0.0485} \end{array} = \begin{array}{l} \text{Export income} \\ \text{£42.92} \end{array}$$

Savings from Reduced Grid Electricity

There is also the added benefit that you will use some of the electricity generated, meaning that you will import less electricity from the grid. If you use 50% (885kWh) that will save around 16 pence per unit (assumed energy price 16p per unit).

$$\begin{array}{l} \text{Units used} \\ 885\text{kWh} \end{array} \times \begin{array}{l} \text{Average tariff} \\ \text{electricity} \\ \text{£0.16} \end{array} = \begin{array}{l} \text{Total import costs} \\ \text{saved} \\ \text{£141.60} \end{array}$$

Total Benefit

Tariff income £220.72	+	Export income £42.92	+	Import costs saved £141.60	=	Total annual benefit £405.24
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You can calculate how much your particular system might earn you using the Solar Calculator on the Energy Saving Trust website found [here](#). For technologies other than Solar PV you can use the EST's Cashback Calculator [here](#)

6 Qualification

6.1 The Microgeneration Certification Scheme (MCS)

The Microgeneration Certification Scheme is an important quality assurance mechanism that sets out both:

- standards for **installers** of small-scale heat and power generators;
- and standards for small-scale heat and power generating **products**.

To qualify for the FIT your renewable electricity generator **must** be installed by an MCS certified installer. The products must also be MCS certified.

Check the [MCS website](#) to see which installers and products are listed.

All *products* and *installers* must be MCS certified for you to qualify for the FIT

6.2 Renewable Energy Consumer Code

Members of the Renewable Energy Consumer Code must abide by the Consumer Code designed to ensure high standards of service. The Renewable Energy Consumer Code is part of Trading Standards Institute self-regulation *Consumer Codes Approval Scheme*. MCS-certified installers must belong to a Trading Standards Institute approved code.

Check the [Renewable Energy Consumer Code website](#) to see which installers are registered and what you should expect from a RECC member.

The Renewable Energy Consumer Code is to protect consumers

6.3 Energy Performance Certificates for Solar PV installations

The owner/ occupier of the building with the renewable technology should now have an Energy Performance Certificate (EPC) to show it is level D or above to claim the full Feed in Tariff rate. If you do not have a valid EPC for the building on which you intend to install on or wire your system to then you should obtain one in order to identify the current energy performance and EPC rating of your building and any cost-effective measures you can install to improve the rating of your building. If the EPC shows that

your property is not currently at level D or above, you will need to install measures to improve the energy performance of your property and obtain a new EPC certificate showing a rating of level D or above before you apply for FITs. Your PV installation can help you achieve the level D certificate. If you register for the feed-in tariff before you can provide a valid EPC with a level D certificate you will not be able to provide the level D certificate later to receive the higher tariff.

You need an EPC Level D to claim the full Feed in Tariff rates For Solar PV

7. Installing a system and claiming FITs

Before you sign a contract the installer should survey your site to ensure it is suitable for a particular technology.

For example:

- shading from trees and buildings would have a substantial effect on the performance of PV solar panels.
- trees, buildings, hills etc. can have an effect on wind speed and cause unwanted turbulence, affecting the performance of wind turbines.

Once your system has been installed, the MCS installer will provide you with a certificate of installation and register the installation with Ofgem on the central FIT register.

You must then inform your chosen electricity supplier that you are eligible for the FIT and provide the MCS certificate and Energy Performance Certificate to them. The electricity supplier will cross-check the installation with the central FIT register and the EPC register. Payments will then be made by the energy supplier on a quarterly basis (unless otherwise agreed).

The EPC register is through Landmark Information Group

- Your installer carries out a site survey to check suitability of the technology for the site
- An Energy Surveyor carries out a survey and provides you with an EPC Level D or above if not already obtained
- Your installation is carried out by an MCS certified installer
- The installer registers your installation on the MCS/Ofgem central FIT register and provides you with a certificate
- You inform your electricity supplier who checks the appropriate registers correspond to your certificates
- Your electricity supplier will then make payments to you on a quarterly basis

8. Registration and deadlines

Deadline Checklist:

- Who is responsible for making the application - The owner of the system should always make the application

- What are the methods for submitting an application form - hard copy or online/electronically
- What is the deadline date and time?
- Ensure the application will arrive on time
 - do you need next day delivery?
 - should you use special delivery?
 - will the office be open to receive applications on a Weekend?
- Are you clear from your energy supplier what documents exactly need to be sent?
- Have you included your EPC level D certificate?

After you have had an installation completed and been provided with an MCS certificate and proof of ownership (paid invoice), you will need to apply to an electricity supplier. You should contact the electricity supplier to find out if you need to complete a hard copy or if you can apply online. To meet a deadline you must ensure your application has been received before the deadline cut off date and time. The deadline cut off is usually at midnight the day before the new tariff rates are implemented. If you apply in hard copy ensure you have posted the application in time for it to be received by the electricity supplier. You should consider next day delivery services such as special delivery so that you can demonstrate the application was received in time. If the deadline falls on a weekend check if the offices will be open to receive mail on a Saturday. The electricity supplier will process your application and request that you provide a generation meter reading from which your FITs rate will be paid. You will not be paid for any generation before the meter reading is provided. Your 20 years of FITs will begin at the point of registration, not the date of installation.

9. Multiple Installations

If an individual or a single organisation receives FITs payments for more than 25 installations at different sites then they will be eligible for a lower Feed in Tariff rate on new installs.

Multiple installs will get a lower tariff

10. The future

10.1 Inflation

Both the Generation Tariff and the Export Tariff are index-linked which means they will increase (or decrease) with inflation (RPI index). The tariffs will be adjusted to ensure a positive return on investment (ROI). Installations that take place between 1 April and 31 January will have an RPI increase in the following April. Installations between 1 January and 31 March will not have an RPI increase in the immediate April but the following April.

FITs will increase with inflation

10.2 Extension

Two or more different technologies can be installed at the same site and be paid separate tariffs, (e.g. PV solar panels and a wind turbine). If a particular technology is installed at a site and the capacity of the system is increased the extended part of the system will receive the tariff that applies at the time of the installation. The rate it receives will depend on the total installed capacity of that technology at that site.

The first installation keeps the existing band and the second installation enters the band for the combined capacity. It is important that the EPC issue date precedes the commissioning date of the extension for the installation to qualify for the higher fit rate.

Two Installations at the same site

$$\begin{array}{ccccccc} 2.5\text{kWp} & & & & & & \\ \text{installed 1} & & & & & & \\ \text{Oct 2015} & + & 2.5\text{kWp} & = & 2.5\text{kWp at} & + & 2.5\text{kWp at} \\ & & \text{installed 1} & & 12.47\text{p/unit} & & 10.90\text{/unit} \\ & & \text{Jan 2016} & & & & \end{array}$$

11. Electricity suppliers

FITs are paid to you by Licensed Electricity Suppliers (LES) approved by Ofgem, they are not paid by the Government. The licensed suppliers raise the money for the FIT by charging a small premium to all of their electricity customers. They are also permitted to charge for administration costs. It is predicted that by 2020 each electricity customer in the UK will have to pay roughly an extra £10 on their annual bills to cover this. Once a year the LESs will settle the amount they have paid between them to ensure consumers are all charged the same surcharge on their bill.

You do not have to register with your existing electricity supplier. You can choose another supplier but only the big six electricity suppliers are required to accept your application, (EDF, ScottishPower, British Gas, Scottish and Southern, E.on, Npower). If you choose a smaller Electricity Supplier they may insist you switch your supply to them. For a full list of the Licensed Electricity Suppliers visit the Ofgem website page <https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/applying-feed-tariff/registered-fit-licensed-suppliers>

The scheme is not funded by tax-payers - It is paid for by all electricity consumers

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