

Clean Energy Cash Back Scheme

Domestic Energy Alliance Conference

Saray Cruz

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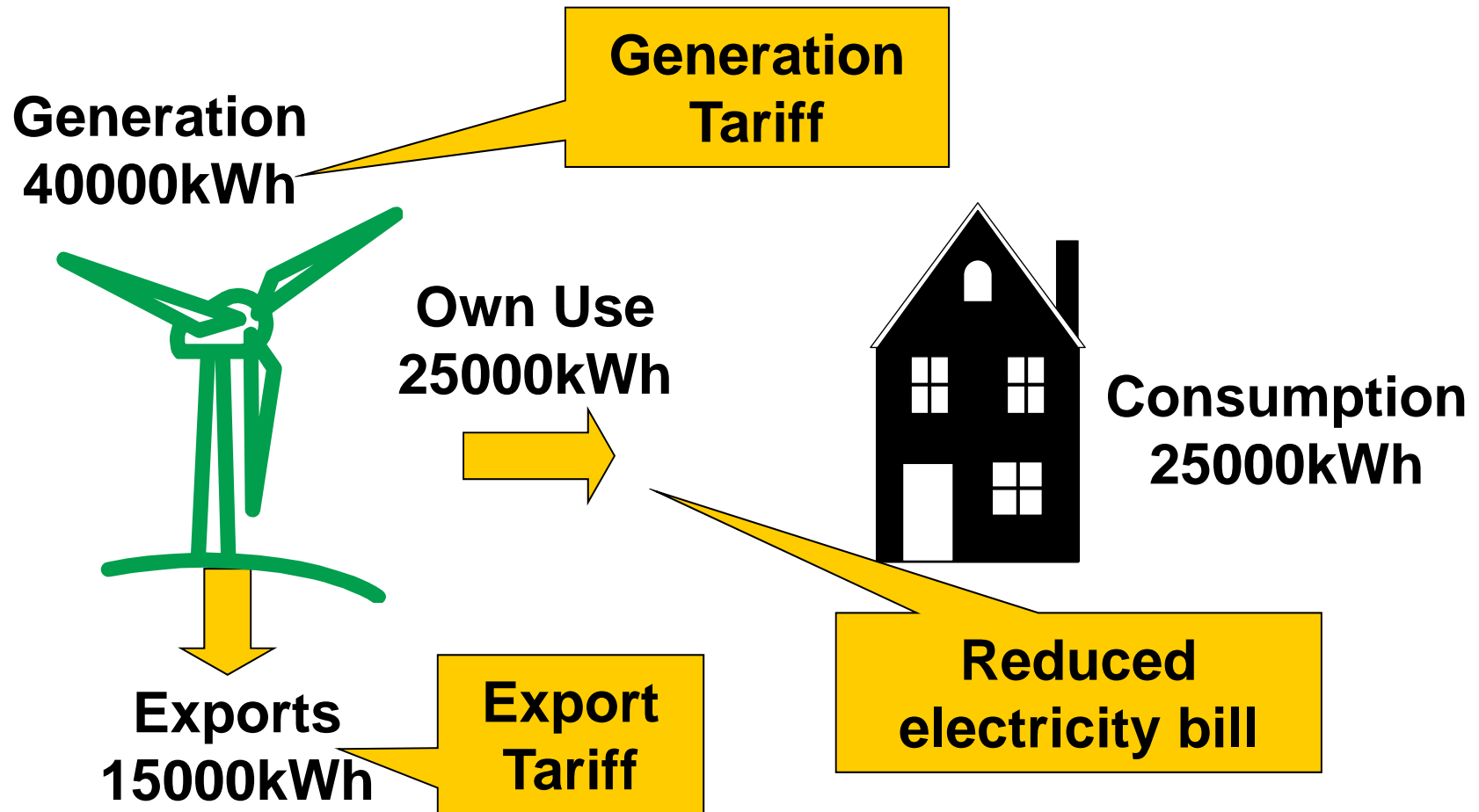
WHAT IS FEED IN TARIFFS

- ❖ **Feed-In Tariffs are the electricity part of what some people call Clean Energy Cashback, which also includes the Renewable Heat Incentive - a similar measure for heat.**
- ❖ **They have been introduced by the Government to increase the level of renewable energy in the UK towards our target of 15% of total energy from renewables by 2020 (up from under 2% in 2009), supporting over 750.000 small scale installations.**
- ❖ **The Tariffs give three financial benefits**
 - A payment for all the electricity you produce, whether you use it yourself, or:
 - Export it into the grid, in which case you get an additional bonus payment, plus
 - For any energy you produce and use yourself, you will reduce your electricity bill
- ❖ **Most forms of renewable electricity generation in all sizes up to 5 megawatts which are supported by the Renewables Obligation qualify**
- ❖ **Starts on 1st April 2010**

SOME KEY INFORMATION

- ❖ Payments are “fixed” for the tariff lifetime and tax free for homeowners, subject to depreciation for new installations
- ❖ Payments will be RPI indexed
- ❖ If transferring from Ros, payment of 9p/kWh
- ❖ Energy suppliers will pay for the FITs
- ❖ Wind, solar PV and Hydro under 50kW need to be MCS certified (unless transfer from Ros)
- ❖ For systems over 50kW, ROO-FIT
- ❖ Other than householders, receivers of LCBP and other public grants will have to choose grants or FIT
- ❖ Tariff are paid based on measured output of the system, with estimated export (at 50%)

HOW THE PAYMENTS WORK



A NUMERICAL EXAMPLE

Element	No Generation	Generation
Electricity cost	4000 x 0.14p/kWh= - £560/Year	(4000 – 900) kW * 0.14p/kWh = - £434/Year
Generation (2kW system)	0	1800Kw * 41.3p/kWh = +£743.4/Year
Exports (50% use/50% export)	0	900x 3p/kWh = +£27/Year
Total	-£560/Year	+£336.4/Year

The total savings are = £560 + £336.4 = **£896.4**

This represents a return on investment of 8% and payback time of 12 years

STEPS

- ❖ **Ensure that your system is eligible**
- ❖ **Contact an MCS installer (for installations over 50kW ROO-FIT)**
- ❖ **Install the microgeneration system**
- ❖ **Your installer has the duty to submit the required information to register your system**
- ❖ **Payments will start from day of registration and until the tariff lifetime**

WHAT ABOUT ROCs?

- ⊙ renewable electricity generation >5MW
- ⊙ 1000kWh = 1 ROC
- ⊙ ROCs sold at market price (c. £40)
- ⊙ FiT or ROC?
 - ⊙ if <50kW = FiT
 - ⊙ 50kW – 5MW = one-off choice
 - ⊙ >5MW = ROC

WAY FORWARD

- ❖ **Update base data and incorporate new companies**
- ❖ **Update Microgeneration Supply Chain directory**
- ❖ **Technical Support Programme (Certification/testing, Technology appraisal, Market research, Business planning, Planning /licensing, Market strategies , PR/Promotional ,Other)**
 - Training
 - MCS Accreditation
- ❖ **Low Carbon Demonstration Programme**
- ❖ **Low Carbon Market Development Programme**
- ❖ **Series of events and workshops**

Thank you