



Promoting choice and value
for all gas and electricity customers

Introducing the Feed-in Tariff scheme

Energy regulator Ofgem is administering the Government's Feed-in Tariff scheme which went live on 1st April 2010.

What is the Feed-in Tariff scheme?

The Feed-in Tariff scheme (FITs) is a new environmental programme introduced by the Government to promote widespread uptake of a range of small-scale renewable and low-carbon electricity generation technologies.

- The scheme will require Licensed Electricity Suppliers (FIT Licensees) to pay a generation tariff to small-scale low-carbon generators for electricity generated (whether or not such electricity is exported to the national grid) and an export tariff to them where such electricity is also exported to the national grid.
- It is intended that FITs will open up low-carbon electricity generation beyond the traditional energy companies by making it more cost effective for communities and householders to buy the units.
- The scheme is applicable to a number of technologies up to a maximum capacity of 5MW.
- Suppliers will play the main customer-facing role for this scheme, registering eligible installations, processing generation data and making payments. Ofgem is running the behind the scenes administration of the scheme. However, the Energy Saving Trust (EST) will be the initial port of call for anyone wanting to find out more about home electricity generation and how they can join the scheme. The EST can be contacted on 0800 512 012, or at <http://www.energysavingtrust.org.uk/>. Businesses looking to participate should contact the Carbon Trust to find out more on 0800 085 2005 or at <http://www.carbontrust.co.uk>.



How to apply for the scheme

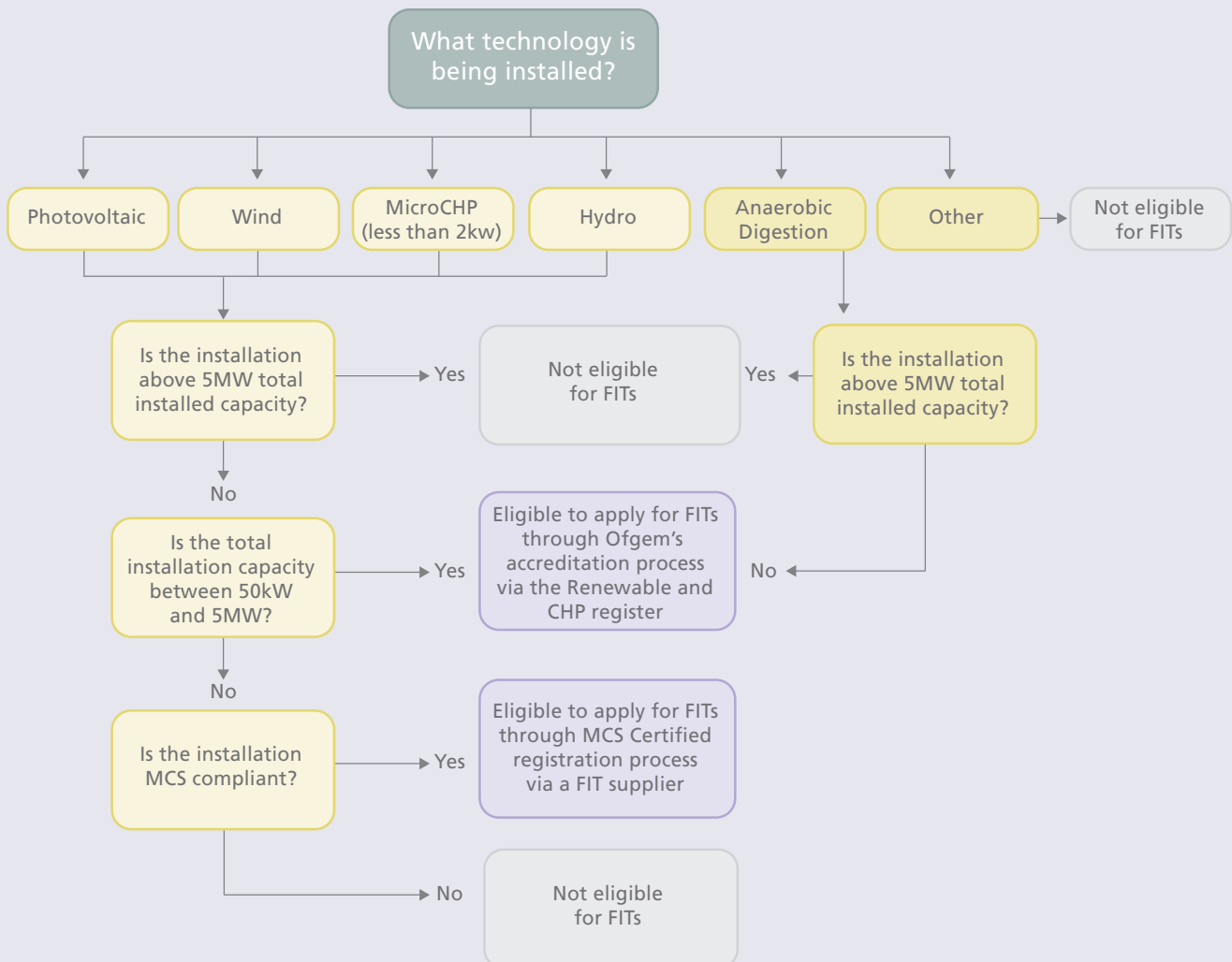


The first step in applying for the scheme is to check whether your renewable installation is eligible.

Eligible units that were installed on, or after 15th July 2009 within Great Britain will be able to directly apply for accreditation under FITs. Special arrangements were put in place for units commissioned before 15th July 2009. Microgenerators falling into this category had until the 31st March 2010 to register with Ofgem under the Renewables Obligation.

Microgenerators who have been participating in the Renewables Obligation are able to transfer to the FIT scheme if they wish. They will have received a letter from Ofgem or from the agent that trades their ROCs with instructions.

The diagram below shows the range of technologies that are eligible, as of April 1 2010. It also explains how the accreditation process will work in each instance.



Applications for accreditation under the Feed-in Tariff will go through one of two routes:



1 Customers using renewable technologies equal to or **less than 50kW which are wind, solar PV, or hydro based** will need to ensure their units are installed and accredited by Microgeneration Certification Scheme (MCS) certified installations under the FIT legislation. Non-MCS certified installations of 50kW or less of wind, solar PV, or hydro will not be eligible for FITs.

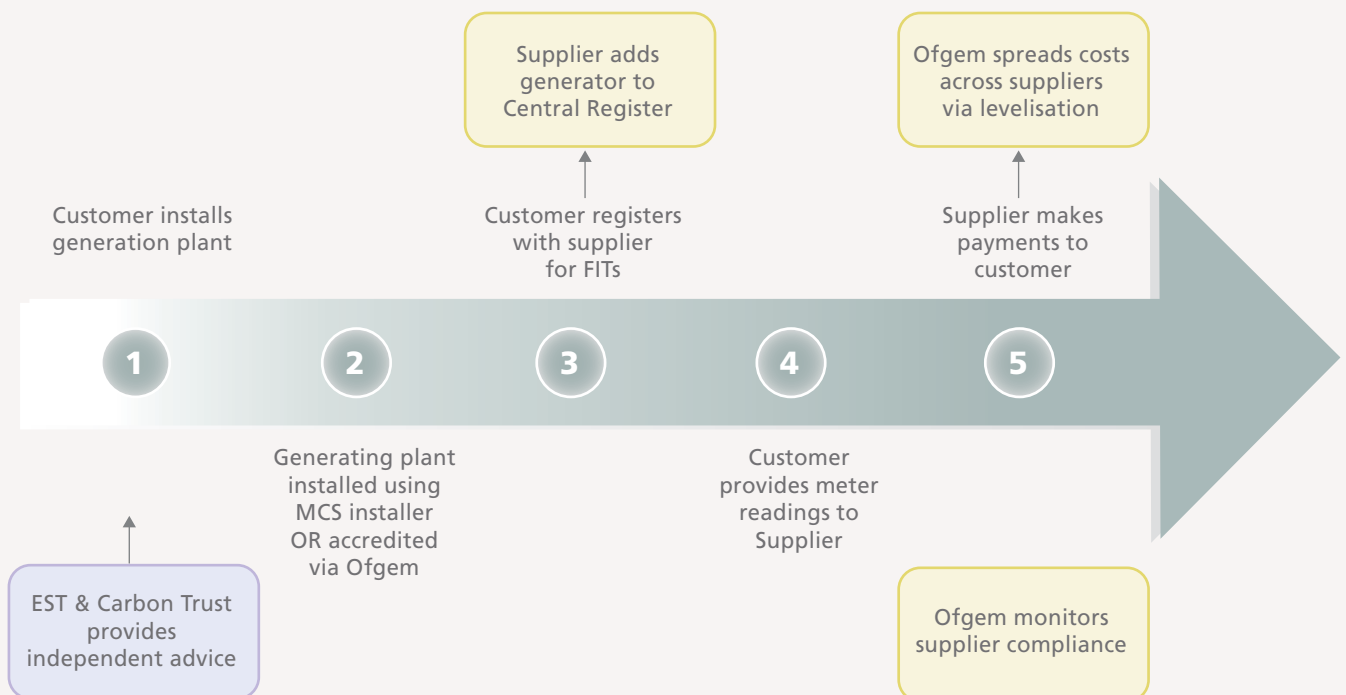
A pilot programme is being run to allow micro combined heat and power (Micro CHP) units to participate provided their capacity is not greater than 2 kW. Micro-CHP units would also need to be fitted and accredited through the MCS. More information on MCS installers and products is available at www.microgenerationcertification.org.

Generators will need to contact a FIT supplier once the installation has been commissioned to commence the accreditation and registration process. These technologies will not be required to apply under Ofgem's Renewable and CHP Register accreditation process .

2 All installations that are eligible and are between **50kW and 5MW in capacity (and anaerobic digestion units of any size up to 5MW)**. will need to apply to Ofgem for accreditation through Ofgem's Renewable and CHP Register www.ofgem.gov.uk/Sustainability/Environment/RCHPreg. Upon completion of this process, applicants will need to contact a supplier with the accreditation details.

A formal list of participating suppliers is available at www.ofgem.gov.uk/fits. Before a FIT supplier can make payments, applicants will need to agree a Statement of FIT Terms which set out the basic rights and responsibilities between you and the FIT supplier. More details will be available from the supplier.

The diagram below outlines the FIT scheme registration and payments process:



The rates that customers receive under the FITs have been set by DECC and are listed in the table below. Once registered for FITs, the generation tariff received will last for the tariff lifetime and be adjusted annually for inflation. The table shows that some of the tariffs reduce in Year 3 onwards – this would only apply to new installations registered during that year. DECC intend to review tariffs in time for 2013 – this would not affect the generation tariffs of generators already on the FITs scheme.

Generation tariffs 1 April 2010 – 31 March 2013

Technology	Scale	Tariff level for new installations in period (p/kWh) (NB tariffs will be inflated annually)			Tariff lifetime (years)
		Year 1: 1/4/10 - 31/3/11	Year 2: 1/4/11 - 31/3/12	Year 3: 1/4/12 - 31/3/13	
Anaerobic digestion	≤500kW	11.5	11.5	11.5	20
Anaerobic digestion	>500kW	9.0	9.0	9.0	20
Hydro	≤15 kW	19.9	19.9	19.9	20
Hydro	>15-100 kW	17.8	17.8	17.8	20
Hydro	>100 kW-2 MW	11.0	11.0	11.0	20
Hydro	>2 MW – 5 MW	4.5	4.5	4.5	20
MicroCHP pilot*	≤2 kW*	10*	10*	10*	10
PV	≤4 kW (new build)	36.1	36.1	33.0	25
PV	≤4 kW (retrofit)	41.3	41.3	37.8	25
PV	>4-10 kW	36.1	36.1	33.0	25
PV	>10-100 kW	31.4	31.4	28.7	25
PV	>100kW-5MW	29.3	29.3	26.8	25
PV	Stand alone system	29.3	29.3	26.8	25
Wind	≤1.5kW	34.5	34.5	32.6	20
Wind	>1.5-15kW	26.7	26.7	25.5	20
Wind	>15-100kW	24.1	24.1	23.0	20
Wind	>100-500kW	18.8	18.8	18.8	20
Wind	>500kW-1.5MW	9.4	9.4	9.4	20
Wind	>1.5MW-5MW	4.5	4.5	4.5	20
Existing microgenerators transferred from the RO		9.0	9.0	9.0	to 2027

For customers exporting power to the national grid the tariff has been set by DECC at 3p/kWh
DECC may wish to review this level of support, but any changes would be uniform across the whole scheme.

Note the microCHP pilot will support up to 30,000 installations with a review to start when the 12,000th installation has occurred

Customers wanting initial information about micro generation should visit www.energysavingtrust.org.uk

More information about the FITs scheme is available at www.ofgem.gov.uk/fits

