

All you need to know about Feed-in tariffs

What are Feed-in tariffs?

Feed-In Tariffs are payments made to ordinary energy users for renewable electricity that they generate for themselves and either use it directly or export it back into the National grid.

The tariffs have been introduced by the Government to incentivise people to install renewable electricity generation technologies and thereby increase the level of renewable energy generated in the UK towards our target of 15% of total energy from renewables by 2020.

How do feed in tariffs work?

The Tariffs provide three main financial benefits to homeowners:

- A payment for all the electricity produced, whether it is used, or:
- Exported it into the grid. In this case an additional payment is made
- Finally, this means that energy bills are considerably reduced for the electricity generated and used at the same time.

How do I qualify for the tariff?

Renewable generation systems are eligible up to 5 megawatts capacity.

This capacity covers the majority of domestic and business properties and includes buildings such as schools, hospitals, care homes, supermarkets, shops etc.

Systems installed before 15th July 2009 are eligible only if they were registered for the Renewables Obligation (or become so registered by 31st March 2010). However, they only get tariffs at the basic rate of 9p/kWh and payments will only commence after 1st April 2010.

Systems installed from 15th July 2009 but before 1st April 2010 (and those registered under the RO as described above), can join the Feed-In Tariffs scheme, but will only get paid for any generation on or after 1st April 2010.

Systems installed from April 2010 onwards will receive Feed-In Tariffs from their date of registration.

For systems below 50kW the major equipment needs to be certified by the Microgeneration Certification Scheme and will also need to be installed by a company accredited under the same Scheme

What are the levels of tariffs?

Table of Feed-In Tariff levels

A complete listing of all Feed-In Tariff levels for systems installed before April 2012.

Energy Source	Scale	Generation tariff (p/kWh) [A]	Duration (Years)
Anaerobic digestion	<500kW	11.5	20
Anaerobic digestion	>500kW	9.0	20
Hydro	<15kW	19.9	20
Hydro	>15 – 100kW	17.8	20
Hydro	>100kW – 2MW	11.0	20
Hydro	>2kW – 5MW	4.5	20
Micro CHP [B]	<2kW	10.0	10
Solar PV [C]	<4kW (new)	36.1	25
Solar PV [C]	<4kW (retrofit)	41.3	25
Solar PV	>4 – 10kW	36.1	25
Solar PV	>10 – 100kW	31.4	25
Solar PV	>100kW – 5MW	29.3	25
Solar PV	Standalone	29.3	25
Wind	<1.5kW	34.5	20
Wind	>1.5 – 15kW	26.7	20
Wind	15kW – 100kW	24.1	20
Wind	>100 – 500kW	18.8	20
Wind	500kW – 1.5MW	9.4	20
Wind	>1.5MW – 5MW	4.5	20
Existing generators (transferred)	From RO)	9.0	To 2020

Notes:

[A]: These tariffs are index-linked for inflation

[B]: This tariff is available only for 30,000 micro-CHP installations, subject to a review when 12,000 units have been installed.

[C]: These terms are defined as follows:

- "Retrofit" means installed on a building which is already occupied
- "New Build" means where installed on a new building before first occupation
- "Stand-alone" means not attached to a building and not wired to provide electricity to an occupied building

Once a system has been registered, the tariff levels are guaranteed for the period of the tariff and index-linked as described above. For systems registered in future years, some tariff levels will be adjusted to account for expected reductions in system prices, as further described here. For household customers producing energy mainly for their own use, the tariff income is also free from income tax as described here.

What are the benefits to me?

There are three key areas of benefit to anyone producing their own energy:

By generating some of the electricity required, less energy is needed from an electricity supplier. This creates substantial savings on the energy bills.

Also, the energy regulator predicts that future energy prices could rise by 60% and possibly more. The introduction of Feed-In Tariffs reduces the impact of these increases and gives some future protection and comfort to homeowners.

The tariffs ensure that money is saved by importing less electricity but it also provides a separate income for energy generated and the payback is guaranteed.

By installing renewable energy you can increase your renewable contribution to the environment and reduce your carbon footprint.