

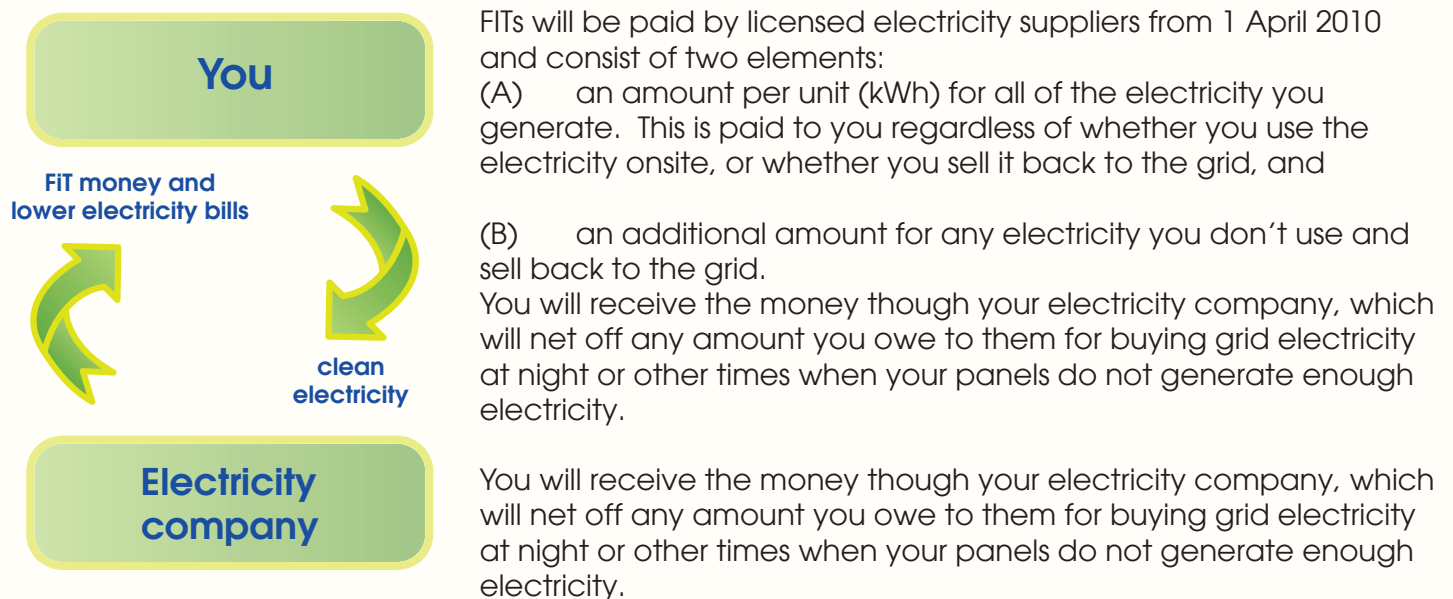
Feed in Tariffs

What are feed-in-tariffs?

The Feed-in-Tariff (FIT) or the "Clean Energy Cashback Scheme" is a Government scheme which aims to encourage small scale electricity generation using renewable sources by guaranteeing returns for a fixed period of time. The main benefits of the FIT are:

- it provides a guaranteed return on your investment of between 5% and 8%
- the income is tax free on domestic systems
- the income is index-linked, which means that it isn't affected by inflation.

How do they work?



If your system is under 3.6kW in size, the electricity company will assume that you sell 50% of everything you generate back to them. This may change shortly.

The tariffs will be funded through increased grid electricity prices so, if you install one of the technologies, you will be shielded from these price increases.

How do I know if my system will be eligible?

All systems which are up to 5 megawatts (i.e. 5,000 kilowatts) in size are eligible. Most domestic systems will be no more than 1-4 kilowatts in size.

Your system will need to be installed by someone who is accredited under the government run Microgeneration Certification Scheme (MCS). greentomatoenergy is an MCS accredited installer, which means that all systems we install will be eligible for the FIT.

As part of the scheme, your installer will lodge information with the MCS and this will form part of your registration for the FIT. Your installer should also help with the arrangements with your electricity supplier.

Tariff rates

The FIT rates for each type of system are in the table below. They will be amended to take account of inflation which means that your returns will not be affected if inflation goes up or down.

The FIT has been set until 1 April 2012, but it is not certain that they will continue at the current rate (or at all) after this time. That is why now is the best possible time to install solar PV. The table below sets out the amount available under the FIT by technology and size.

Technology	Scale	Tariff Level for new installations (p/kWh)	Tariff Lifetime (years)
PV (new build)	4kW or less	21.0	25
PV (retrofit)	4kW or less	21.0	25
PV	>4kW - 10kW	16.8	25
PV	>10kW - 50kW	15.2	25
PV	>50kW - 100kW	12.9	25
PV	>100kW - 150kW	12.9	25
PV	>150kW - 250kW	12.9	25
PV	>250kW - 5MW	8.5	25
PV (standalone)		8.5	25

The guaranteed amount you receive for selling electricity to the grid is set at 3p per kWh.

An example

A householder installs a 2 kWp system at home.

This will generate approximately 1,800 units of electricity per year. The approximate FIT the householder is entitled to receive :

- generation tariff of £378 (i.e. 1,800 x 21p); and
- export tariff of £27, assuming that 50% of the electricity generated is sold to the grid (i.e. 900 x 3p).

In addition, the householder will save on the electricity that would otherwise be purchased from the grid. Assuming that the householder purchases electricity at a rate of 12p per unit and that half of that electricity is used up at home, the savings amount to £108.00. These savings increase as electricity prices go up.

The total annual financial benefit of installing this system is therefore £513 per year.

What to do next

If you are interested in finding out how you can make the most of the Feed-In-Tariff or if you have any more questions, contact greentomatoenergy. We will advise you on the system that's right for you and for your budget.

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