

What is the Feed-tariff?

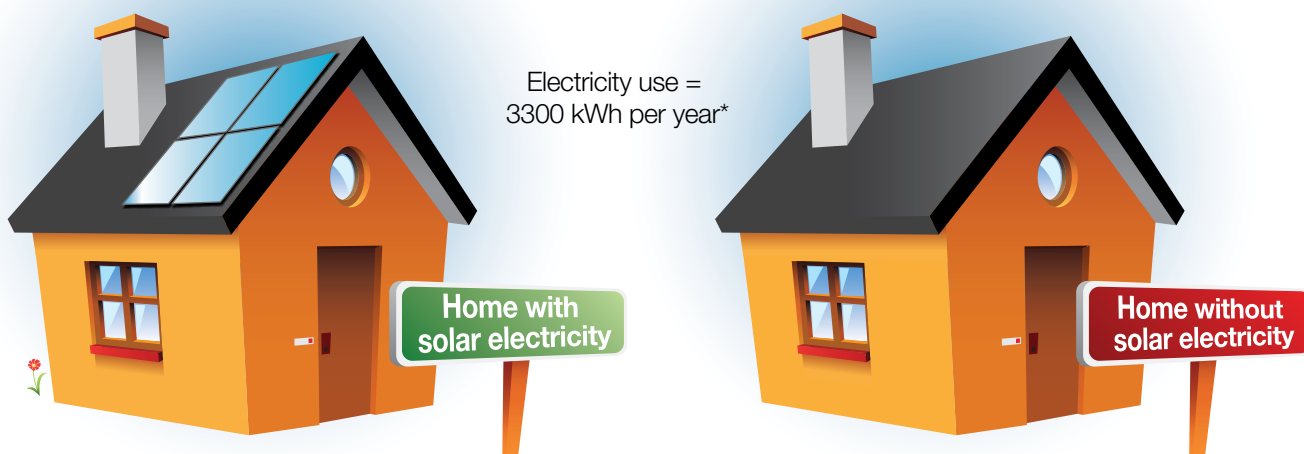
What is the Feed-in tariff?

The Government finalised their Feed-in Tariff, also known as the 'Clean Energy Cashback' scheme on February the 1st. This means that from April, homeowners who install solar electric systems on their houses will be paid a substantial premium for all of the electricity they generate from their system. So now installing solar is a fantastic investment, as well as a hedge against rising electricity prices and a way to cut carbon.

Key points of the scheme

- The feed-in tariff for homeowners is set at 41.3p per unit generated from a solar electric system
- Home owners will also receive an additional payment of 3p for the units they export to the grid
- The payments are guaranteed by law for 25 years
- The payments will rise with inflation

What the Feed-in Tariff means for you



Average annual net benefit = £730

Average annual income & savings = £1048

Average annual electricity bill = £318**

Carbon dioxide emissions avoided = 1200kg

Average annual electricity bill = £460**

Carbon dioxide emissions = 1410kg

(annual)
Income from Feed-in Tariff = £878

Savings on your bill from solar electricity† = £138

Income from exporting solar electricity† = £32

* DECC publication - Quarterly Energy Prices
** Energy Saving Trust (EST) - 13.95p per kWh

† EST - 50% export and avoided cost
Note: based on a 2.5kWp solar electric system producing 2125kWh per year

What this means in practice

Here's an example of what this could mean, based on a typical size of domestic solar system (12 panels) on a south-facing roof in the UK:

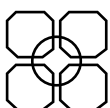
For a 12 panel system, fully installed, typical cost is £12,500 today, you'll be paid 41.3p for every unit that system generates, which would result in annual income of £878.

Some of the electricity from the system will be used by your home instead of grid electricity, and the rest exported to the grid - If this is split 50:50, you'll then get £138 of electricity savings and £32 of export income as well the £878: a total of £1,048 of income and savings.

These values are inflation-linked, so what you get will go up each year. The system pays back in 10 years. This is equivalent to a profit of £25,000 over the 25 years of the scheme, or a return of 9%

We are not financial advisors, but we think that sounds like a great investment! If you act fast, things are even better – the Government will provide a grant of up to £2,500 to help with the upfront cost. This makes all aspects of the investment even better!

Solarcentury will be introducing a new scheme for homeowners to benefit from solar PV at a reduced upfront cost; if you are interested in hearing more about this please register at www.solarcentury.co.uk to be kept up to date.



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