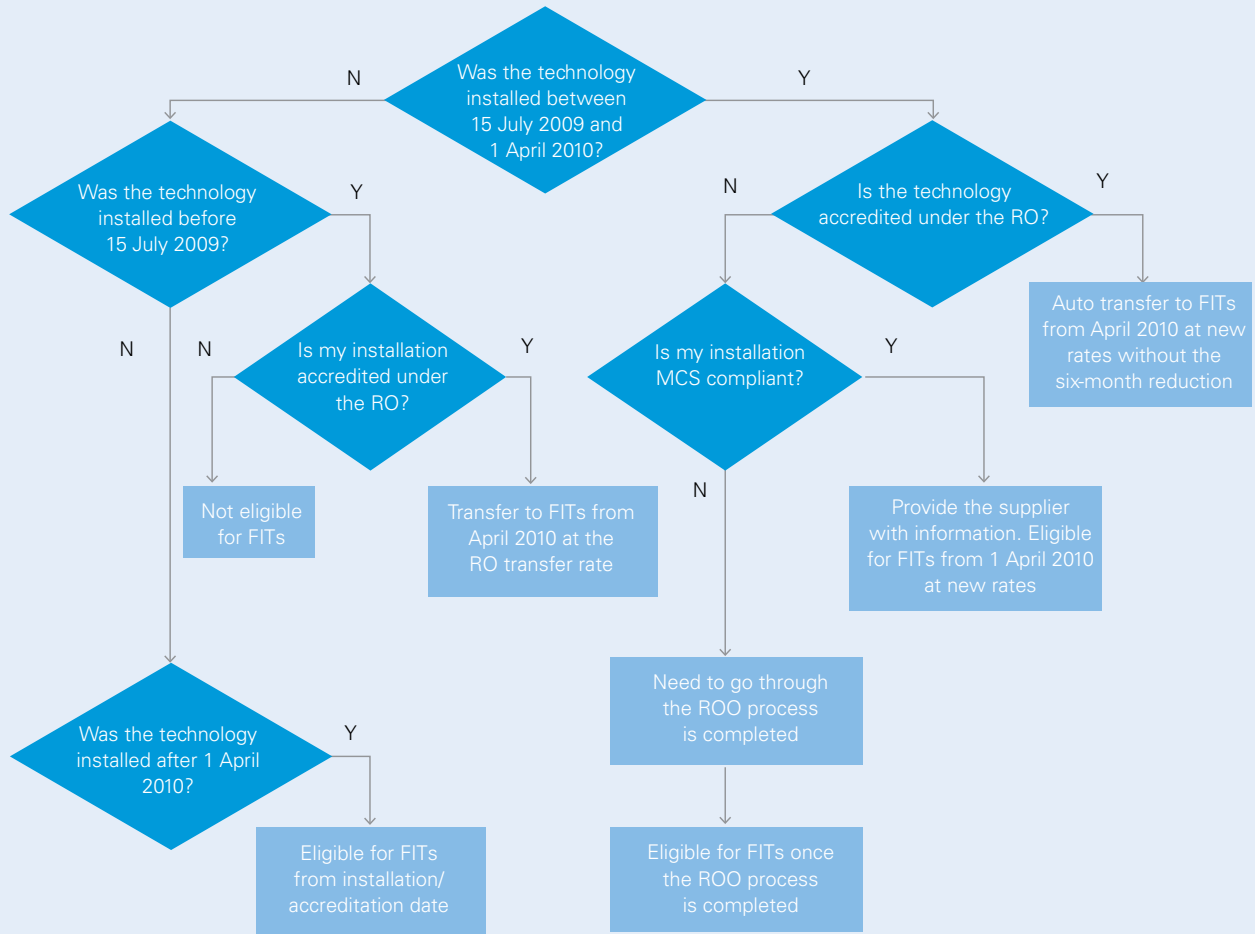


# Feed-in Tariff FAQs

Question	Answer
How do I apply for a FIT?	<p>The process will depend on whether you are installing microgeneration (&lt;50kW) or small-scale generation.</p> <p><b>Microgeneration</b> Wind, solar PV and hydro projects of 50kW or less, and micro-CHP projects supported through the pilot are eligible for FITs support if they use Microgeneration Certification Scheme (MCS) eligible products installed by MCS accredited installers. This requirement doesn't apply to microgenerators transferring to FITs which have already been accredited under the RO. When the system is installed the MCS installer will record required information with the MCS, forming the basis of the FITs registration.</p> <p><b>Small-scale generation</b> If you install any other technology, such as biomass electricity, you must register it through the ROO-FIT process in order to be eligible for FITs support.</p>

Question	Answer
<p>I already generate, do I get the FIT?</p>	<p>The rules for whether existing generators get the FIT or stay with the RO are different for microgeneration (capacity of 50kW and below) and small-scale generation (above 50kW up to and including 5MW).</p> <p><b>Existing microgeneration (capacity of 50kW and below) – all eligible technologies move to FIT. The tariff level depends on timing:</b></p> <p>Microgenerators in the following technologies are not eligible for support under the RO, as of 1 April 2010:</p> <ul style="list-style-type: none"> <li>• AD</li> <li>• Hydro</li> <li>• Solar PV</li> <li>• Wind</li> </ul> <p>If you have a microgenerator using one of these technologies and you applied for accreditation under the RO <b>on or before 31 March 2010</b> your accreditation will be transferred to the FITs scheme. Wind, hydro and solar PV microgenerators transferring from the RO are not required to meet the MCS accreditation requirements for new microgenerators in these technologies. <b>However, all microgenerators transferring from the RO must find a supplier in order to access FITs.</b></p> <p>If you have a microgenerator and you applied for accreditation under the RO before 15 July 2009 you will automatically transfer to FITs at a generation tariff of 9p/kWh and will receive support until 2027. This is equivalent to the support you would have received under the RO.</p> <p>If you have a microgenerator and you commissioned and applied for accreditation under the RO <b>on or after 15 July 2009 and before 1 April 2010</b> you will transfer to FITs at the appropriate tariff level for the scale and technology, and will receive support for 20 years (25 years for solar PV).</p> <p><b>Existing small generation (capacity above 50kW up to and including 5MW)</b></p> <p><b>Most existing small generators to stay in RO</b></p> <p>If you have a small generator and you applied for accreditation under the RO before 15 July 2009, you will remain in the RO and will not be eligible to transfer to FITs.</p> <p><b>Existing small generators since 15 July 2009 had a window of opportunity to transfer to FITs</b></p> <p>If you applied for the RO between 15 July 2009 and 1 April 2010 and notified Ofgem by 31 August 2010 that you wanted to transfer to FITs, you will receive FITs from 1 April 2011, with under the RO.</p> <p>If you're transferring to FITs from the RO you will need to find a supplier in order to be paid. You'll need to do this within six months of the date you transfer to FITs to avoid your support being interrupted. The tariff level will be appropriate to your scale and technology, but the duration of the support you receive will be reduced to reflect the support you have already received under the RO. To keep things simple, all small generators transferring to FITs with effect from 1 April 2010 will have a standard six months' reduction in support, and those transferring with effect from 1 April 2011 will have a standard 18 months' reduction in support. If you were commissioned as a generator on or after 15 July 2009, and you haven't yet applied for accreditation, you'll have to make a one-off decision which scheme to join.</p>

**Figure 1: Microgenerators FITs scheme eligibility flow chart**



Question	Answer
<p><b>How do I find a supplier of FITs?</b></p>	<p>Suppliers with over 50,000 domestic customers are obliged to participate in FITs. They must make FITs available to generators on sites to which they supply electricity as well as to any generators on sites that are not served by a mandatory FITs supplier, including off-grid generators. Other suppliers may choose to participate in FITs. They are obliged to make FITs available to generators of 50kW or less on sites to which they supply electricity, but they may choose not to provide FITs to larger generators.</p> <p>If you plan to receive FITs you'll have to let your chosen supplier know. They will then register or confirm your details with Ofgem, and the installation will be entered on the Central FITs Register. The Register will include the relevant details of the installation and assign a tariff code – which will identify the generation tariff which the generator must be paid. You'll also need to tell the supplier whether you intend to opt out of the guaranteed export tariff. If you do, you won't be able to receive any reward for export, unless you negotiate your own arrangements for export sales e.g. through a power purchase agreement (PPA).</p>
<p><b>Who will pay for FITs?</b></p>	<p>All licensed energy suppliers will be required to contribute to the cost of the scheme. This will ensure that all electricity consumers will be contributing to the development of small scale low carbon electricity.</p>
<p><b>What needs to be metered?</b></p>	<p>All generation will need to be metered. and FITs payments will be made to generators on the basis of how much power they generate, in accordance with the strict requirements of the Electricity Act 1989 and subsequent legislation and regulations.</p> <p>At the very small scale, the amount of exports for the payment of export tariffs (not generation tariffs) will be allowed to be deemed, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• these arrangements will only apply until specifications for smart meters have been finalised;</li> <li>• the payment of export tariffs for deemed exports will be included in the levelisation process. Total payments to and from suppliers will be adjusted to reflect the fact that they benefit from these unmetered exports;</li> <li>• these arrangements do not apply if export meters exist already, or are provided at the generator's expense.</li> </ul> <p>In the interim it will be possible to 'deem' the level of exports from generators of 30kW or less as follows:</p> <ul style="list-style-type: none"> <li>• 50% of generation for solar PV, wind and AD installations; and</li> <li>• 75% of generation for hydro installations;</li> </ul> <p>If your exports are substantially higher than this you'll be able to install suitable export meters and be paid on the metered level of exports; you can also ask your electricity supplier to install smart meters.</p> <p>Suppliers are likely to need to pay for the cost of the smart meters under the Government's mandated roll out, due to be completed by the end of 2020. However, if a FIT generator needs a smart meter before this planned roll out, the generator may need to pay.</p>

Question	Answer
<p><b>Who pays for the meter?</b></p>	<p>The previous Government announced its intention to roll out electricity and gas smart meters to all homes in Great Britain by the end of 2020. It also stated that, once rolled out, these smart meters will support the metering requirements of FITs installations and the report of that data.</p> <p>Under this plan, suppliers are likely to need to pay for the equipment and installation cost of the smart meters. However, if a FIT generator needs a smart meter before this planned roll out, the generator may need to pay.</p>
<p><b>Have schemes like this worked internationally?</b></p>	<p>As of 2009, feed-in tariff policies have been introduced in 63 jurisdictions around the world, including in Australia, Canada, China, France, Germany, Spain, Ireland and South Africa.</p>
<p><b>Is there an advantage to joining the scheme early?</b></p>	<p>The generation tariff is set at different levels for different technologies. These technologies should reduce in cost over time, so the generation tariffs (for PV and wind) will decrease from 2013 to 2020 to continue to provide the same rate of return. Each generator is allocated the tariff level at the time it is installed. The generator is then “locked into” this tariff level over the life of the installation or the life of the tariff (20-25 years), whichever is the shorter. For instance, a generator installed in 2013 receives less than one installed in 2010, but keeps the 2013 tariff level over its lifetime.</p> <p>By 2020 the energy regulator predicts that energy prices could rise by 60%. Electricity price rises will have less impact on those businesses receiving FITs.</p>
<p><b>Is there a list of recommended equipment manufacturers?</b></p>	<p>For systems below 50kW, manufacturers will have to be accredited under the MicroGeneration Certification Scheme. (<a href="http://www.microgenerationcertification.org">see www.microgenerationcertification.org</a>)</p> <p>Larger systems have to be accredited through the ROO-FIT process, but there are no specific product requirements.</p>
<p><b>Is small-scale generation and FITs a sensible first step in reducing costs?</b></p>	<p>If your business is considering installing small-scale generation, you should first make sure that you have considered all energy efficiency measures. Simple low- and no- cost energy efficiency measures can save 10%-20% of your energy bill and carbon footprint. 80% of energy efficiency measures have a payback period of three years or less – much shorter than small scale renewables, even with FITs. Small-scale renewables can generate additional returns in the right locations, in particular with the new FIT incentive.</p>
<p><b>Who can help businesses decide whether small-scale generation and FITs is a sensible option?</b></p>	<p>In general, the Carbon Trust recommends that you should implement energy efficiency first, before exploring cost effective renewables. The most suitable measures for your site/ business will depend on many factors, including its location and building type, as well as how much energy it uses. The Carbon Trust can help you develop a business case that takes all these factors into account and identifies the most suitable measures.</p>
<p><b>Are FITs more beneficial than the RO?</b></p>	<p>In most cases FITs offer a higher incentive than the RO, and could yield returns of 5%-8%, equivalent to a payback period of 10-14 years (though this depends on the specific installation conditions).</p>

Question	Answer
Do you have to use MCS accredited to install equipment which is going through >50kW and therefore going through the ROO-FIT application process?	The MCS requirement is only applicable for installations under 50kW.
Can you have a loan and FITs?	<p>Installations receiving FITs can apply for loans, including the Carbon Trust's interest-free loans – see <a href="http://www.carbontrust.co.uk/loans">www.carbontrust.co.uk/loans</a></p> <p>Companies can also apply for Enhanced Capital Allowances (ECAs), enabling a business to claim 100% first-year capital allowances on their spending on qualifying plant and machinery: <a href="http://www.eca.gov.uk">www.eca.gov.uk</a></p> <p>However, as a general rule, if your installation has received a grant from, or on behalf of, a public authority it will not be eligible for the FIT Scheme until the grant has been paid back. There are exceptions to this rule, specifically:</p> <ul style="list-style-type: none"> <li>• grants which were awarded before 1 April 2010 relating to eligible installations commissioned before 15 July 2009;</li> <li>• and grants made to domestic installations before 1 April 2010 relating to eligible installations commissioned between 15 July 2009 and 31 March 2010.</li> </ul> <p>Ofgem is also able to provide exemptions if we are satisfied that making FIT Payments to that installation would be in accordance with the law relating to State Aid.</p>
How do companies register for FiTs?	A full list of certified suppliers are available at <a href="http://www.microgenerationcertification.org">www.microgenerationcertification.org</a>
How do you register for ROCs?	The RO scheme is still in place alongside FITs. Systems under 50kW must transfer to the FITs scheme, while systems between 50kW and 5MW can choose which scheme to participate in. Systems cannot receive credits under both schemes. If you choose to be accredited for RO, this must be done under an alternative process based on the RO accreditation – 'ROO-FIT'. Further guidance on the ROO-FIT process is available in the publication <i>RO: Guidance for Generators</i> .

More detail on FITs can be found from DECC in Feed-in Tariffs. *Government's Response to the Summer 2009 Consultation*.

Click on:

[www.decc.gov.uk/en/content/cms/consultations/elec\\_financial/elec\\_financial.aspx](http://www.decc.gov.uk/en/content/cms/consultations/elec_financial/elec_financial.aspx)

For more general enquiries or for further information on FITs you can also contact the Department of Energy and Climate Change at [enquiries@decc.gsi.gov.uk](mailto:enquiries@decc.gsi.gov.uk) or by telephone on 0300 060 4000.

Ofgem provides information at

[www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx](http://www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx)

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