Press Release

Social Housing, Solar Energy and the Feed-in-Tariff
August 2011

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Due to the original feed-in-tariff introduced in April 2010, many landlords have installed solar panels on the roofs of their tenants. The overriding reason for this is that the photovoltaic cells used to provide the renewable solar energy do not come with a monthly bill. Which means more affordable social housing can be provided by councils. Another aspect, worth considering is the price of electricity. It's very volatile and using solar panels to provide residential homes with energy, protects them from these fluctuating prices. With solar panels, the average tenant could save 50% on their annual electricity bill. [1]

Also, landlords are paid for installing these panels. Under the feed-in-tariff, the amount you are paid varies depending on the scale and type of generator installed. So, it has become a popular choice for investors to invest in solar power on social housing rather than solar farms. Using this 'rent-a-roof' scheme they provide the tenants with some free electricity in return for putting solar panels on their roof and making a profit from the feed-in tariff.

Using a typical 2.5kW, well-sited solar PV installation, the electricity generated would pay the homeowner £836 a year tax-free and remaining electricity costs would be reduced from an average £450 to £300, meaning the total benefit would be £986 per year.[2]

The tariff was introduced by the Government to help increase the level of renewable energy in the UK towards the legally binding EU target of 15% of total energy from renewables by 2020 (up from under 2% in 2009).[2]

Scotland is going further than this, announcing plans to increase this amount to 30% by the same time. The Scottish Government says its plans have already attracted Mitsubishi Power Systems, Gamesa and Dossan Babcock to the region and will ultimately create more than 40,000 jobs. [3]

The feed-in tariff will likely help the UK to reach it's goal as a 2.5kW saves a household around 0.9 tons of carbon dioxide emissions each year, as this is the amount of carbon dioxide that would have been emitted from fossil fuels to generate the same amount of electricity the system has generated cleanly.[9]

However, as of the beginning of August 2011, installations of solar power that are between 50 kilowatts and 150 kilowatts of capacity will receive 19p per kilowatt-hour produced, down from 32.9p. Larger installations of up to 250kw will receive a reduced tariff of 15p per kwh and field-size installations of between 250kw and 5 megwatts of capacity will get half that, at 8.5p per kwh. Both larger sizes were previously paid 30.7p per kwh.

Greg Barker, energy and climate change minister, said: "I want to drive an ambitious roll-out of new green energy technologies in homes, communities and small businesses and the Fit scheme has a vital part to play in building a more decentralised energy economy." [10]

Under the tariff, you earn up to 43p for each unit of energy produced, and an additional 3p/kWh for energy generated and imported to the national grid, this price being fixed for 25 years. This money comes from your local energy company.

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Solar photovoltaic (PV)	<4kW (new build)	36.1
Solar photovoltaic (PV)	<4kW (retrofit)	43.3 [5]
Solar photovoltaic (PV)	4-10kW	36.1
Band (kW Total Installed Capacity - TIC)	Tariff (p/kWh)	% Change
>50 kW – • 150 kW TIC	19.0p/ kWh	-42%
>150 kW – • 250 kW TIC	15.0p/ kWh	-51%
>250 kW – 5 MW TIC and stand-alone installations	8.5p/ kWh	-72%

The UK generating its own sustainable energy from the sun has many advantages over using other techniques. Solar energy is quiet, and safe, clean, cheap to run, and easy to install. More importantly, it has an advantage over oil, gas, coal and nuclear - in that it is renewable. Nuclear fuel is a hot topic at the moment with many governments looking towards it as a way to bridge the gap between demand and dwindling oil reserves in years to come. Solar energy is unlikely to have a meltdown. It does not leave the area in which it was situated in radioactive for many years after its shutdown and is much cheaper to decommission. For example, decommissioning the Niederaichbach nuclear power plant in Germany cost €143million.

On the 1st of April 2010, the day the feed-in tariff was introduced, the total amount of installed solar power in the UK was 26 megawatts. A year later, that figure has almost trebled to 77.8 megawatts.[8] There are now 28,505 solar photovoltaic systems registered with the feed in tariff scheme.

1) http://www.solarpowerportal.co.uk/news/uk_council_tenants_to_benefit_from_free_solar_electricity_5478/
2) http://www.fitariffs.co.uk/
3) http://news.bbc.co.uk/democracylive/hi/scotland/newsid_9524000/9524840.stm
4) http://www.solar-help.co.uk/blog/2011/government-grants/grants-for-solar-panels/solar-feed-in-tariffs/solar-panels-forsocial-housing-solar-pv-panel-deal-struck
5) http://www.housingenergyadvisor.com/blog/guide-to-feed-in-tariffs-fit-123/
8) http://www.housingenergyadvisor.com/blog/feed-in-tariff-green-energy-electricity/
9) http://www.housingenergyadvisor.com/blog/fact-sheet-solar-pv-photovoltaic-fit-tariff/
10) http://www.guardian.co.uk/environment/2011/jun/09/large-scale-solar-subsidies-cut?INTCMP=ILCNETTXT3487

Good in-depth pdf on renewable energy and the effect of the feed-in tariff:
www.decc.gov.uk/assets/decc/11/policy.../emr/2176-emr-white-paper.pdf

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