

The Opportunity

The Clean Energy Cashback Scheme (CEC) aims to boost the generation of energy from renewable sources. Under the scheme, small scale 'generators,' householders, groups, communities and businesses will be guaranteed a cash return until 2020 (2025 for solar PV).

A **generation tariff** will be paid on all the electricity generated whether or not it used on site. Expensive systems like solar PV will attract a higher tariff than wind which is cheaper. Any excess electricity can be fed into the national grid where it will attract an **export tariff** of 3p per kWh.

The Scheme

The Clean Energy Cashback scheme applies to a range of well-proven generation systems such as:

- Wind
- Solar PV
- Hydro
- Anaerobic digestion

There is also a small pilot scheme for Domestic scale microCHP (combined heat and power).

Tariff levels will be determined by the type of technology and the year of installation. Once installed, a scheme's tariff will be index-linked, but each year the starting tariff for new schemes will decrease. This is in order to encourage early take-up and also because these technologies should get cheaper over time.

Tariffs will be paid by the utility companies (not the government) which will recoup the cost through higher electricity bills.

Most utility meters are presently unable to register energy fed back into the grid although this will change over the next few years with the introduction of smart meters. In the mean time, export tariffs will be paid on 50% of the total generated.

Key Points

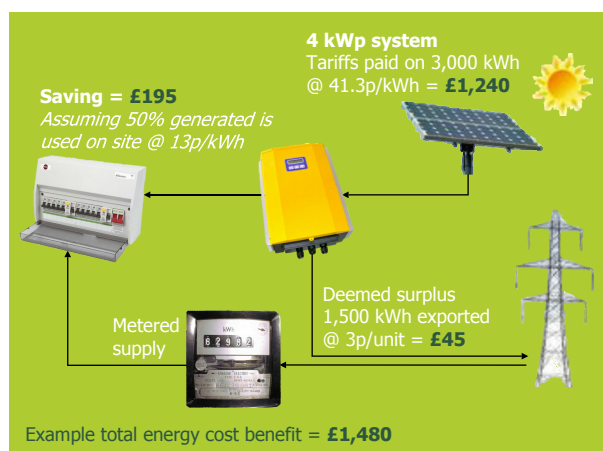
- Tariffs have been set to give a return on investment of around 5-8%.
- Households generating electricity for their own use will not pay tax on tariffs earned. Different rules may apply to other generators.

Green Compliance offers a full range of low carbon and compliance consultancy services, including installation and funding advice for public sector or commercial customers.

For more information or to talk to the team about producing a proposal for you, call us on

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- Installations should pay for themselves at around year 10-12 of their projected 20-25 year life.
- Funding can be available at no up-front cost.
- Systems must be installed by accredited members of the Microgeneration Certification Scheme (MCS)
- Look at overall building energy consumption. Our energy consultants can advise you to ensure your insulation, heating systems and lighting are as efficient as possible to complement your investment in renewable generation.



Generation tariffs 1 April 2010 – 31 March 2013

Technology	Scale	Tariff level for new installations in period (p/kWh) [NB tariffs will be inflated annually]			Tariff lifetime (years)
		Year 1: 1/4/10 – 31/3/11	Year 2: 1/4/11 – 31/3/12	Year 3: 1/4/12 – 31/3/13	
Anaerobic digestion	≤500kW	11.5	11.5	11.5	20
Anaerobic digestion	>500kW	9.0	9.0	9.0	20
Hydro	≤15 kW	19.9	19.9	19.9	20
Hydro	>15-100 kW	17.8	17.8	17.8	20
Hydro	>100 kW-2 MW	11.0	11.0	11.0	20
Hydro	>2 MW – 5 MW	4.5	4.5	4.5	20
MicroCHP pilot*	≤2 kW*	10*	10*	10*	10
PV	≤4 kW (new build)	36.1	36.1	33.0	25
PV	≤4 kW (retrofit)	41.3	41.3	37.8	25
PV	>4-10 kW	36.1	36.1	33.0	25
PV	>10-100 kW	31.4	31.4	28.7	25
PV	>100kW-5MW	29.3	29.3	26.8	25
PV	Stand alone system	29.3	29.3	26.8	25
Wind	≤1.5kW	34.5	34.5	32.6	20
Wind	>1.5-15kW	26.7	26.7	25.5	20
Wind	>15-100kW	24.1	24.1	23.0	20
Wind	>100-500kW	18.8	18.8	18.8	20
Wind	>500kW-1.5MW	9.4	9.4	9.4	20
Wind	>1.5MW-5MW	4.5	4.5	4.5	20
Existing microgenerators transferred from the RO		9.0	9.0	9.0	to 2027

* Note the microCHP pilot will support up to 30,000 installations with a review to start when the 12,000th installation has occurred