



TREADLIGHTER

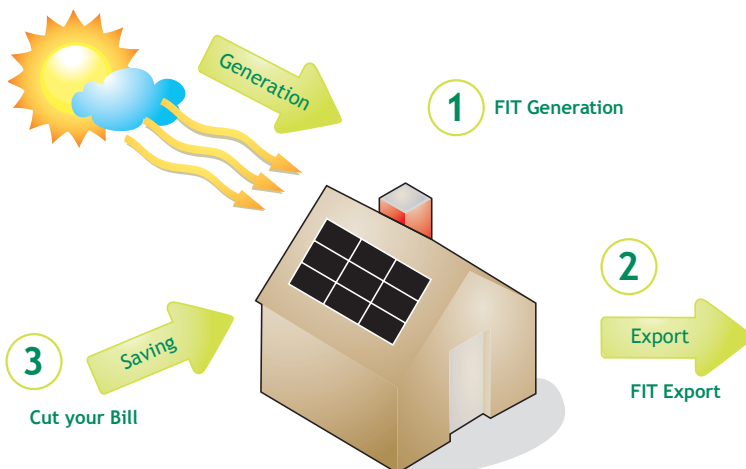
Guide to Solar Electricity & The Feed-in Tariff (FIT)

1 Under the Feed-in Tariff (FIT) scheme, the government will pay you for every unit (or kilowatt hour kWh) of electricity you generate from a Solar Electricity system.

It doesn't matter who uses the electricity, the fact that you generate it qualifies you for the FIT payments.

Your system will have its own 'Total Generation Meter' and under the energy act of 2008 your electricity company will pay you for the quantity of electricity that your system generates based on the readings from that meter. Payments are made bi-annually or quarterly, usually into an account of your choosing.

You will currently be paid 14.9p for every unit of electricity that the system generates. This payment is guaranteed for 20 years (everyone in the country will be paying a little more for electricity to pay for these systems so the government does not have to 'find' the investment for this) and it is index-linked so that it will be worth the equivalent of 14.9p at today's prices for the whole 20 years. It's also tax-free.



2 If you use any of the electricity you generate it will save you importing it from 'the grid' i.e. from your electricity company. This will happen automatically and all your electrical equipment will work exactly as it did before the system was installed.

Electricity prices vary depending upon where you live, but a typical price per 'unit' of electricity is about 14p. If you are at home, using power, during the day (when the sun is shining most strongly) you will use more power from your system than if you are only at home in the evenings. The electricity companies (see point 3) estimate that you will use about half of the electricity you generate, but the more you use the more you save.

3 Any electricity that you don't use automatically flows back into 'the grid' and will be used by someone else. In practice it will be used wherever the nearest demand is, so in all likelihood, your neighbours will be using some of the electricity you generate.

Your electricity company will pay you a small amount for the electricity that you 'Export' back into the grid. Rather than fit a meter in every home to measure this (existing electricity meters only measure the electricity flowing in to your house) the electricity companies will assume that you export half of the power you generate. You will be paid 4.65p for each unit that you export.



Example:

For a typical terraced house with a roof facing due south (the best possible orientation) it is possible to install a 10 panel system with a 'rating' of 2.50 kWp (kilowatt peak). A system like this will cost around £5,425 to install and will generate about 2,434 kWh of electricity each year.

For a household paying a typical 14p per unit for electricity, the financial benefit will be:

- 1** 2,434 kWh * 14.9p = £363
- 2** Assuming that 50% of the generated power is used this will save 1,217 kWh * 14p = £170
- 3** Your electricity company will pay you for the assumed 50% export: 1,217 kWh * 4.65p = £57

In total, this system will save / generate £590 in the 1st year; a benefit of £17,417 over 20 years. Looked at another way; this represents a tax-free return of 12.6% per year, which compares very well when compared to current savings interest rates. For larger systems the return on investment figures can increase to close to 15%.



We provide a Free Survey and No Obligation Quotation so to find out how you could benefit from installing a Solar PV system please get in touch.

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