

What does the 'Feed-in tariff' mean for schools?

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 2010.

This means that from April 2010, schools who install solar electric systems will be paid a substantial premium for all of the electricity they generate.

Installing solar is now 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 schools is between 31.4p and 41.3p per unit generated from a solar electric system, depending on the size of the system installed, see the table below.
- Schools 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

Size of system	Type of install	Pence per unit generated
≤4kWp	New build	36.1
≤4kWp	Retrofit	41.3
>4-10kWp	New build or retrofit	36.1
>10-100kWp	New build or retrofit	31.4



What this means in practice

Here's an example of what this could mean, based on a typical size (4 kWp) school solar system on a south-facing roof in the UK:

For a fully installed 4 kWp system the typical cost is around £16,000.

The system should generate approximately 3400 units of clean electricity every year.

The school will receive 41.3p for every unit generated resulting in an income of £1400 per year.

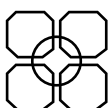
Some of the electricity from the system will be used by the school instead of grid electricity, and the rest exported to the grid - If this is split 75:25, the school will get £331 of electricity savings and £25 of export income as well the £1400

Resulting in a total of £1756 of income and savings per year.

These values are inflation-linked, so what the school receives will go up each year.
The system pays back in about 10 years.

Solarcentury established Solar4schools in 2008 and has since completed more than 250 solar installations on schools throughout the UK.

If you are interested in solar for your schools please e-mail: solarschools@solarcentury.com



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The small print

1. Solarcentury is not a financial services company, so the example shown is indicative only. Customers wanting to compare solar PV as an investment or security should consult an IFA or other relevant professional.

2. All the numbers used in the example shown are averages or typical values. For instance, the cost of a PV system may vary depending on how easy or complex an installation it is; the money made or saved will vary depending on location in the UK, how much you pay for electricity (we assumed 13p/unit) and how good a site it is for solar PV (ideally an unshaded, south facing pitched roof); electricity consumption patterns vary.