npower Microgeneration Scheme – Feed In Tariffs

A Guide to the Clean Energy Cashback Scheme
An introduction to Feed In Tariffs

There are many ways of becoming more energy self-sufficient in your own home, whether it is by installing a wind turbine, solar photovoltaic panels or even a small-scale hydro system. What’s more, npower can help to ensure that generating your own electricity is as simple as possible.

Towards a low-carbon UK

The Government wants to reduce our impact on the environment by promoting low-carbon technologies. That’s why, from 1 April 2010, it has introduced the Feed In Tariffs (FIT) scheme to offer financial rewards to homeowners using microgeneration to produce renewable energy.

Under the scheme – also known as ‘clean energy cashback’ – you receive a payment for the energy you make or ‘generate’, as well as a payment for the electricity you do not use and sell or ‘export’ to the local electricity grid.

What’s more, you can even save by using your generated electricity onsite, energy which you would have otherwise had to buy or ‘import’ from your supplier.

Helping you

We’ve produced this booklet to explain how the FIT scheme works, the payments you could receive and where to get more information.

If you have any queries, call our microgeneration team on 0845 078 2977 lines are open Monday - Friday 9am - 5pm or email microgeneration@npower.com

How it works

This diagram shows the three different tariffs (generation, import and export) and their typical interaction with your household consumption and microgeneration system.

Figures are purely illustrative and show consumption per annum.

Make money from the energy you generate

As someone who cares about the environment, you know there are many steps we can take to save energy and help the planet. Microgeneration – the generation of zero or low-carbon heat and power by individuals, small businesses and communities – is one way you could really make a difference.

There are many ways of becoming more energy self-sufficient in your own home, whether it is by installing a wind turbine, solar photovoltaic panels or even a small-scale hydro system.

What’s more, npower can help to ensure that generating your own electricity is as simple as possible.

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Your questions answered

Am I eligible for Feed in Tariffs?
Yes, if you have installed the following technology:
- Anaerobic Digestion
- Hydro
- PV
- Wind
- CHP (Less than 2kW)
- If your system is less than 50kW, you have used an
MCS installer, using MCS products and have a valid MCS
certificate.
- If your system is above 50kW, you have been accredited
by Ofgem and have a ROO-FIT Accreditation number.
- If you have an approved generation meter.
- If your have had a grant towards the cost of your
installation, you have sought appropriate advice about
whether it needs to be paid back.
Please note: The date that you became eligible to receive
FIT Payments is the day we receive your full application.
For your FIT application to be valid, you must include all
supporting documentation and a valid meter reading. A
valid meter reading is a generation meter reading taken
during the last 5 days. If you submit an older meter reading,
your application will not be valid and we will contact you
to reapply.

Will I still be eligible for a grant?
The Low Carbon Building Programme (LCBP) no longer
allocates grants to new microgeneration stations. Instead,
individuals can benefit from the incentives available from
the FIT scheme.

How will I get paid?
Quarterly by personal cheque, according to your FITs plan
letter unless we inform you otherwise. If we do not receive
meter readings, this will result in no payment being made.
If you do not have an export meter, we will make an
estimate for systems up to 30kW.

Will my payments appear on my supply bill?
No. Initially, your payments will be made by personal
cheque independent of your supply bill.

How long will my payments last?
For the majority of technologies they will last 20 years.
However, they will be up to 25 years in the case of solar
photovoltaic. This will also be calculated by Ofgem and
confirmed in your individual FIT plan letter. For more
details, turn to page 6 for the generation tariffs table.

What happens if I move home?
Ownership of the microgeneration technology and the
FITs will need to be agreed as part of the sale/purchase
of the house. This is a matter for you to discuss with
the prospective new owner/vendor.

What equipment do I need?
In addition to your microgeneration technology, you will
need a generation meter which should be provided by your
installer (turn to the glossary on page 8).

Do I have to pay tax on my cashback earnings?
Yes. You must inform us by stating this on the application
form. However you must also tell us if these details change.

Who is eligible to join the scheme?
You must either be an npower customer, use a supplier
not offering FITs or be off grid. If your system is less than
50kW, it must have been installed by an MCS accredited
installer using MCS-accredited products. If it is more than
50kW, please contact Ofgem for accreditation before
contacting us.

How do I apply?
It’s simple – just complete, sign and return the enclosed
application form. We will then contact you with the next steps.

Top Tip
Check the accreditation status
of your installer/products at
microgenerationcertification.org
or call 020 7090 1082
lines are open Monday - Friday 9am - 5pm

Want to install Solar PV?
npower has teamed up with Ecofirst to offer you a complete
one-stop service, from site survey and design through to
installation and supply.^

Prices for Solar PV
start from £8,885
(including installation and VAT).
To find out more, visit
npower.com/solar
or call 0800 316 1491^

Here are just some of the benefits of installing Solar PV:
✓ Earn clean energy cashback through the Feed In Tariffs
✓ Generate up to 50% of your annual electricity needs
✓ Improve your property’s energy efficiency
✓ Reduce your impact on the environment

Yes. You must inform us by stating this on the application
form. However you must also tell us if these details change.

Why is it better to use the generated
electricity than to export it?
Due to the export tariff level being set at 3.1p per unit, it
is more financially viable for you to use your generated
electricity on site as this avoids the need to purchase
electricity from your supplier at around 13p per unit
(see the explanatory diagrams on page 6).

What if I want to add more
microgeneration?
Please let us know, so that we can update your details and
payments. It is important you check with your supplier as
your payments can be affected by the several factors when
installing additional capacity.

What if my microgeneration scheme
produces more than 50kW?
Please contact Ofgem for details on accreditation.

What happens if I change suppliers?
You must inform us and ask your new supplier to pay
your FIT payments.

Can I choose who receives my cashback
payments?
No. The prospective new owner/vendor will receive your
FIT payments.

Here are just some of the benefits of installing Solar PV:

Improve your property’s energy efficiency.
Reduce your impact on the environment.

Ways to reduce the cost of your installation:

- Choose an MCS accredited installer (turn to the glossary
on page 6).
- Check your microgeneration technology has been
accredited by Ofgem and has a ROO-FIT Accreditation
number.
- Find out if you are eligible for a grant on page 6.

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50kW, it must have been installed by an MCS accredited
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50kW, please contact Ofgem for accreditation before
contacting us.

How do I apply?
It’s simple – just complete, sign and return the enclosed
application form. We will then contact

Can I choose who receives my cashback
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To export or not to export?

Generation tariffs 1 April 2010 – 31 March 2013

<table>
<thead>
<tr>
<th>Technology</th>
<th>Scale</th>
<th>Tariff level for new installations in period (p/kWh)</th>
<th>Tariff lifetime (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anaerobic digestion</td>
<td>≤500kW</td>
<td>11.5</td>
<td>12.1</td>
</tr>
<tr>
<td>Anaerobic digestion</td>
<td>&gt;500kW</td>
<td>9.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Hydro</td>
<td>≤15kW</td>
<td>19.9</td>
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<tr>
<td>Hydro</td>
<td>&gt;15-100kW</td>
<td>17.8</td>
<td>18.7</td>
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<tr>
<td>Hydro</td>
<td>&gt;100kW-2MW</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Hydro</td>
<td>&gt;2MW-5MW</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>MicroCHP pilot*</td>
<td>≤6kW*</td>
<td>10*</td>
<td>10.5</td>
</tr>
<tr>
<td>PV</td>
<td>≤4kW (new build**)</td>
<td>36.1</td>
<td>37.8</td>
</tr>
<tr>
<td>PV</td>
<td>≤4kW (retrofit**)</td>
<td>41.3</td>
<td>43.3</td>
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<td>PV</td>
<td>4-10kW</td>
<td>36.1</td>
<td>37.8</td>
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<td>PV</td>
<td>&gt;10-100kW</td>
<td>31.4</td>
<td>32.9</td>
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<tr>
<td>PV</td>
<td>&gt;100kW-500kW</td>
<td>29.3</td>
<td>30.7</td>
</tr>
<tr>
<td>Wind</td>
<td>≤1.5kW</td>
<td>34.5</td>
<td>36.2</td>
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<td>Wind</td>
<td>&gt;1.5-15kW</td>
<td>26.7</td>
<td>28</td>
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<tr>
<td>Wind</td>
<td>&gt;15-100kW</td>
<td>24.1</td>
<td>25.3</td>
</tr>
<tr>
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<td>&gt;100kW-500kW</td>
<td>18.8</td>
<td>19.7</td>
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<tr>
<td>Wind</td>
<td>≤3MW-1.5MW</td>
<td>9.6</td>
<td>9.9</td>
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<tr>
<td>Wind</td>
<td>&gt;3MW-10MW</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Existing microgenerators transferred from the RO</td>
<td>9.0</td>
<td>9.4</td>
<td>9.4</td>
</tr>
</tbody>
</table>

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

Generation Tariff Table Source is adapted from the Feed-In Tariffs Government response to the summer 2009 consultation – DECC

Essential information

Glossary

Feed In Tariffs (FITs) – the Government’s generation and export tariffs scheme, also known as ‘Clean Energy Cashback’.

Export meter – measures the amount of energy that you export back onto the grid from your microgenerating system. This meter is not required – if you do not have one, the export level will be estimated by your supplier.

Export tariff – the amount paid to you for every unit generated by your microgenerating system which is then exported back onto the grid.

Generation meter – measures the total generation from your microgenerating system.

Generation tariff – the amount paid to you for every unit of electricity generated from your microgenerating system.

Import meter – an electricity meter, independent from your microgenerating system, which measures the electricity that you purchase from your supplier.

Inflated annually – your generation tariff will remain fixed subject to inflation.

Import tariff – the amount that you pay your electricity supplier for each unit you import into your home.

kWh (Kilowatt Hour) – one unit of energy.

Off-grid – A property or site that is not connected to mains electricity. This site would therefore not import from the grid or export to the grid.

Retrofit – a system installed on an existing building rather than on a new build.

Solar PV/Solar photovoltaic – panels that produce electricity from daylight.

Top Tip

Use appliances that consume a lot of energy – e.g. a washing machine, dishwasher or microwave – when you are generating electricity.

Got a question?

Call our microgeneration team on 0845 078 2977 lines are open Monday - Friday 9am - 5pm or email microgeneration@npower.com

For more about our import tariff’s call 0808 156 0056† or visit npower.com
Terms and Conditions
* 50% saving based on household with 3,300 kWh annual electricity demand, installing 2 kWp system and generating 1,650 kWh of electricity per annum. Please note terms and conditions apply to the installation of Solar PV systems. These are available on request.

^ PV systems and their installation are supplied by Ecofirst Ltd and you will need to enter into a contract direct with Ecofirst Ltd for its supply and installation. npower does not warrant or represent and is not responsible for the quality, fitness for purpose or otherwise of the PV system or its installation and any other equipment provided by Ecofirst Ltd, nor for the actions or omissions of Ecofirst Ltd or any installer used by Ecofirst Ltd. Other terms and conditions may apply please see npower.com or call the number provided above.

† Telephone calls may be monitored for security and or training purposes. Lines are open Monday - Friday 8am - 8pm and Saturdays 9am - 5pm. Calls to 0800 numbers may be free from BT landlines but may vary with other suppliers and be considerably higher from mobiles. Calls to 0845 numbers vary. Please check with your provider for exact charges.

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npower solar
0800 316 1491
Or visit npower.com/solar

npower home insulation
0800 980 2135
Or visit npower.com/insulation

Department for Energy and Climate Change
0300 060 4000
Or visit decc.gov.uk

Energy Saving Trust
0800 512 012
Or visit energysavingtrust.org.uk

Microgeneration Certification Scheme
020 7090 1082
Or visit microgenerationcertification.org

Ofgem Renewables
020 7901 7310
Or visit ofgem.gov.uk

Top Tip
Let us know of any changes in your microgeneration so we can make sure you are paid the correct amount.