

what you need to know about renewable energy now

**Renewable Energy Support Schemes – Current Tariffs – as from 1 April 2015 (includes RPI increase of 1.6%)**

Feed in Tariffs (FITs)			
Technology	Scale	Tariff (p/kWh)	Applicable Until
Wind	<100kW	14.45	30 September 2015
	100kW - 500kW	12.05	
	500kW - 1.5MW	6.54	
	1.5MW - 5MW	2.77	
Solar PV	<4kW	13.39	30 June 2015
	4kW - 10kW	12.13	
	10kW - 50kW	11.71	
	50kW - 150kW	9.98	
	150kW - 250kW	9.54	
	>250kW	6.16	
	Standalone	6.16	
Anaerobic Digestion	<250kW	10.13	30 September 2015
	250kW - 500kW	9.36	
	>500kW	8.68	
Hydro	<15 kW	17.17	30 September 2015
	15kW - 100kW	16.03	
	100kW - 500kW	12.67	
	500kW - 2MW	9.90	
	>2MW	2.70	
Micro-CHP	<2kW	13.45	31 March 2016
All - Export Tariff	All	4.85	31 March 2016

\*additional capacity may be eligible  
 Figures in red are as a result of depression on 1 April 2015

Renewable Heat Incentive (RHI) Phase 1 / Non-domestic			
Technology	Scale	Tariff (p/kWh)	Applicable until
Small Biomass	<200kWth	Tier 1: 5.87	30 June 2015
		Tier 2: 1.56	
Medium Biomass	200kWth - 1MWth	Tier 1: 5.18	
		Tier 2: 2.24	
Large Biomass	>1MWth	2.03	
Biomass CHP	ALL	4.17	
Ground / Water Heat Pumps (HPs)	ALL	Tier 1: 8.84	
		Tier 2: 2.64	
Air to Water HPs	ALL	2.54	
Solar Thermal	<200kWth	10.16	
Biomethane	ALL	Tier 1: 7.62	
		Tier 2: 4.47	
		Tier 3: 3.45	
Small Biogas	<200kWth	7.62	
Medium Biogas	200kWth - 599kWth	5.99	
Large Biogas	>600kWth	2.24	
Deep Geothermal	ALL	5.08	

Renewable Heat Incentive (RHI) Phase 2 / Domestic			
Technology	Scale	Tariff (p/kWh)	Applicable until
Ground & Water HPs	<45kWth*	19.10	30 June 2015
Air Source HPs	<45kWth*	7.42	
Biomass Boilers	<45kWth*	8.93	
Solar Thermal	<45kWth*	19.51	

**Market Update**

**Solar Rooftop Permitted Development Threshold Raised to 1MW**

Eric Pickles has raised the permitted development rights threshold for rooftop solar panels from 50kW to 1MW. This includes both solar PV and solar thermal technologies and means that as long as certain requirements are fulfilled, there will be no need to apply for planning permission. A 1MW system would typically require a large warehouse or distribution centre, roughly the size of a football pitch. The move removes one of the key barriers to getting solar on roofs and should allow more businesses to save money and lower their overheads, as well as providing a decent rate of return on their investment. The rooftops of factories, warehouses and office buildings are considered to be the best place to install solar panels, with many businesses able to use 100% of the energy they generate during the working day.

(cont.)

### 'Lift and Shift' Proposals Approved for Commercial Rooftop Solar

In a further boost to the commercial solar sector, DECC have also rubber stamped so-called 'lift and shift' proposals, whereby businesses can take rooftop solar panels with them, should they move premises. Any additional capacity added during the move will be treated as an extension to the existing FIT contract, which will increase the flexibility and bankability of commercial installations. However, businesses will not be able to do this until 2019 as DECC require 4 years to "achieve the desired policy intention". Installations will need to be greater than 50kW and the system must contribute at least 10% of the building's energy demand.

### DECC 2015 Feed in-Tariff Review

DECC is required by EU state aid rules to conduct a periodic review of the FIT scheme this year. The review will take place after the election and Parsons Brinckerhoff have been contracted to examine DECC's current cost assumptions, which were last updated in 2012. They will be responsible for the collection of data relating to projects currently registered under the FIT scheme, for the five qualifying renewable technologies. This is the same contractor that worked on the cost modelling in the 2012 review, and at the time industry stakeholders expressed some concerns that they had limited in-depth knowledge of some of the technologies, particularly Anaerobic Digestion.

### Solar Predicted to be the Dominant Global Electricity Source by 2030

A recent major report from Deutsche Bank has suggested that solar will become the dominant electricity source around the world, displacing fossil fuels as it becomes cheaper than conventional energy sources. With 130GW of solar currently installed worldwide, this accounts for just 1% of the 6,000GW energy market, which is worth around \$2 trillion per annum. By 2030 this is expected to increase ten-fold to 10% and by 2050 could be as high as 30% worldwide, with developing markets seeing the highest growth. The report states that within 3 years, the economics of solar will take over from the policy drivers (i.e. subsidies). These predictions are underpinned by observations showing that solar is at grid parity in more than half of all countries, expected to increase to 80% of countries in the next 2 years. At a cost of 8c/kWh to 13c/kWh, it is up to 40% below the retail price in many countries and in Australia it is less than half the retail price. The emergence of cost effective energy storage is likely to further boost the case for global solar adoption. Another recent report by Agora Energiewende was even more optimistic, predicting that solar could fall below 2c/kWh by 2050.

### UK on Track to Meet its Renewable Energy Targets

The UK is on track to meet its EU target of 15% of energy from renewable sources by 2020, an overall energy target that includes electricity generation, transport and heating. In order to achieve this however, electricity generation from renewable sources is likely to have to increase to above 30% by 2020. Year on year increases are encouraging, with overall renewable electricity generation at 15% in 2013 and recently reported figures for 2014 at 19.2%. This rapid increase has been driven by big rises in bioenergy, solar and wind, and renewable electricity generation outperformed nuclear generation during 2014. However, fossil fuel use in the transport and heating sectors still remains high, with slow progress on technologies such as electric cars. If there is a shortfall in these areas, the new UK government will need to generate even more renewable electricity to hit the overall energy target. The Conservatives are proposing to largely halt the spread of onshore wind farms, so if they remain in power post the forthcoming General Election, these targets may not be realised.

### Changes to the Non-Domestic RHI Regulations

On 12 February 2015 the government introduced a number of changes to the non-domestic RHI regulations. A new three-tiered tariff system has been brought in for producers of biomethane. For biomass, the requirement to demonstrate that a boiler has been designed and installed to use solid biomass as its primary fuel source has been removed. Air quality requirements remain in place however, so there is still an obligation to use only the fuels listed on the emissions certificate. Underground piping can now be considered 'properly insulated' where it meets certain standards, meaning that heat losses can be disregarded in certain situations. For biogas plants of 200kWth and above that have converted from electricity-only to CHP, the conversion date must now be on or after 4 December 2013.

### Anaerobic Digestion - Big Opportunities Still Available

The biggest constraint for new renewable projects is that there is almost no available electrical grid capacity. What most farmers and landowners forget is that there is often either a high pressure gas main crossing their land or a medium pressure gas main in the adjoining public highway. There is currently a big demand from a few specialist AD companies to build AD plants on farmers land and connect them into the adjoining gas main where there is often spare capacity. For larger projects they will pay rents in excess of £100,000pa. So do contact us if you think your land may be suitable.

for further news on what is happening in the renewable energy market please visit:

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