

FEED IN TARIFF REGISTRATION

Report of the Director of Investment

1. SUMMARY

Following the installations of Solar Panel (PV) systems at Bretton Avenue, registration needs to take place with an energy company in order to claim the available Feed In Tariff (FIT) payments. There are a range of suppliers administering the FIT and this report explores the differences between these companies' offers.

2. RECOMMENDATION

That the Committee agrees to the appointment of E.ON as the administrator supplier of FIT payments for electricity generated by PV installations on council houses.

3. MATTER FOR CONSIDERATION

- 3.1 Following the installation of PV systems on council houses, there are payments for generation and export of electricity through the FIT scheme. The standard rate for generation payments is 43.3p per KW. This will be measurable through the generation meter installed as part of the PV system. The standard export payment is 3.1p per KW and there are differing ways of calculating these by each FIT administrator.
- 3.2 Derby City Council tenants are free to switch their electricity supplier at any time. It is necessary to engage a FIT administrator who will pay the tariffs directly to the Council even if they do not supply electricity to the individual properties. Not all the administrators will do this and those companies would not be suitable for consideration. At present, only E.ON and Southern Electric are offering to pay FIT without insisting on supplying electricity at the individual properties.
- 3.3 The main administrators of the scheme are outlined in Appendix 1 with their various offers and conditions. There are no financial advantages between the payments on offer from E.ON or Southern Electric as they are only offering the standard rates, as are the other companies who will only deal with their own customers. The key difference is that Southern Electric will install an import/export meter at each property. This will allow the exact amount of exported electricity to be calculated. E.ON has no proposals as yet for these meters and are calculating the export levels at 50% of all the electricity generated; they will however need to install smart meters in the future which calculate import/export. If the export levels are over 50% of generated electricity then there is a small financial benefit of using

Southern Electric. If, however, the tenant uses more than 50% of the generated electricity then there would be an advantage in using E.ON. Given that many of our tenants are in receipt of benefits and are not working or are retired then there will be a strong possibility that with energy advice they will use over 50% of the electricity generated.

4. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

The financial plan for the installation of Solar Panels includes assumptions for income from both generation and export tariffs.

5. LEGAL AND CONFIDENTIALITY IMPLICATIONS

This is a new activity for Derby Homes and the Council. Legal advice has been received that we can use HRA funds and claim the Feed in Tariff.

The areas listed below have no implications directly arising from this report:

- Consultation
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None.

Supporting Information: None.

Feed In Tariff Registration Administrator Offers.

E.ON

E.On will pay the standard generation tariff of 43.3p per KW and the standard export tariff of 3.1p per KW. They are calculating the export levels at 50% of all the electricity generated as they are not yet fitting smart import/export meters which could calculate the exact levels of electricity fed back to the grid.

British Gas

To date, British Gas has not published their specific details on their website. Numerous attempts have been made to contact their FIT team directly with no response.

EDF

EDF will pay the generation tariff of 43.3p per KW. Verbally they have indicated that they are not participating in the export tariff payments. They do not insist on being the energy supplier at the individual property.

Scottish Power

Scottish Power will only pay the standard generation and export tariffs to customers they supply with electricity.

Southern Electric

Southern Electric will pay the standard generation tariff of 43.3p per KW and the standard export tariff of 3.1p per KW. They will calculate the export levels of electricity by installing a smart import/export meter. They do not insist on being the energy supplier at the individual property.

NPower

NPower will only pay the standard generation and export tariffs to customers they supply with electricity.