

How the Green Deal and Feed-in Tariffs work together



Department
of Energy &
Climate Change

CREATE YOUR OWN ENERGY

Technologies like wind turbines and solar panels can capture energy and turn it into electricity for your home.



Worked example for combining Green Deal with a domestic solar PV installation under FITs

ITEM	AMOUNT
A 4kW solar PV system costing*:	£7,000
A Green Deal loan could provide up to: 37% of total cost**	£2,600
So homeowner would need to find balance at the outset of:	£4,400
Annual income from FITs would be:	
Generation tariff (currently*** 15.4p/kWh)	£526
Export tariff (currently 4.5p/kWh)	£79
Plus electricity saved:	£255
(15 p/kWh)	
Giving a total annual income/saving of:	£860
But homeowner would have to make an annual re-payment to Green Deal of:	£255
Giving a net annual saving of:	£605
Over the whole 20 year duration of the FIT and Green Deal financing the homeowner would make a total loan repayment of: £255 x 20 assuming an interest rate of 7.5%	£5,100
However, the cumulative income and savings from FITs and GD would be:	£17,200
GIVING A NET SAVING TO THE HOMEOWNER OF: (£17,200 – £5,100 – £4,400)	£7,700

* Figures supplied by the Solar Trade Association

** Based on the 'deemed' 50% use of annual generation within the house and 50% exported

*** March 2013, but subject to in-year change – check latest rates on Ofgem FIT website

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HELP**

Free and impartial advice about the Green Deal and FITs is available. Call the Energy Saving Advice Service (England, Scotland and Wales) on 0300 123 1234 or visit www.gov.uk/greendeal

How can the Green Deal and Feed-in Tariffs work together?

A Green Deal assessment can tell you whether your home is suitable for generating its own electricity, as well as all the other energy saving improvements you can make.

You can use Green Deal finance to help meet the costs of installing solar PV, wind or even microCHP* on your property and receive the Feed In Tariff (FIT) as well. Hydro generation and anaerobic digestion receive FIT but are not eligible for Green Deal finance.

The amount you can finance through Green Deal will depend on how much a home like yours is expected to save on its electricity bill. Even if this is not enough to pay for the full cost, you can still use Green Deal finance to pay for part of the cost. Your Green Deal Provider will be able to calculate this. The Feed In Tariff payments cannot be included in the calculation.

**microCHP – Micro combined heat and power <2kW. Systems larger than this are not supported under FITs.*

If I have already installed solar PV panels or other FITs technologies can I still apply for the Green Deal?

You are not able to get Green Deal finance for FITs technologies already installed.

However, you can use the Green Deal to pay for some or all of the costs of other improvements, such as insulation, boilers and other renewable technologies such as an air source heat pump.

I am thinking of installing a FITs eligible technology. Can I apply for FITs and Green Deal together?

Yes you can. A Green Deal Assessor will visit your home to discuss what energy saving and generation improvements you could make.

A Green Deal Provider will discuss whether a Green Deal Plan with FITs is right for you.

I want to install solar PV panels on my house, but it doesn't meet Energy Performance Certificate (EPC) level D or above required for the highest level of FITs support. Will undertaking energy efficiency measures under the Green Deal enable me to achieve level D?

In many cases, yes – but it depends what measures you decide to take. Your Green Deal Advisor should be able to advise you on what measures are necessary in order to meet EPC level D or above.

Can I get Green Deal Cashback for solar panels (or other FITs technologies)?

No – there is no Green Deal Cashback for renewable installations.

A solar company wants to conduct a Green Deal assessment on my house – is that allowed?

Yes, if they are a trained Green Deal Advisor registered with a Green Deal Assessor organisation.



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