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NEW FEED-IN TARIFF LEVELS FOR LARGE SCALE SOLAR AND ANAEROBIC DIGESTION ANNOUNCED TODAY

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Government confirms outcome of fast track review on Feed-in Tariff (FIT) levels of support for large scale solar and Anaerobic Digestion installations

New tariffs for large scale and all stand-alone solar and farm-scale anaerobic digestion to start from 1st August for new installations

Money protected for householders, small businesses and communities and a range of technologies ensuring scheme longevity

"The new tariffs will ensure a sustained growth path for the solar industry while protecting the money for householders, small businesses and communities and will also further encourage the uptake of green electricity from anaerobic digestion."

(Climate Change Minister, Greg Barker)

New generation tariffs for large scale solar and anaerobic digestion under the Government's green electricity scheme have been confirmed today.

Today's announcement follows the recent public consultation on large scale solar and anaerobic digestion which closed on 6th May 2011. The fast track review looked at reducing the tariffs for large scale solar to protect the money available for small scale projects and the range of technologies supported under this scheme. The review was launched following initial evidence showing the number of large scale solar projects in the planning system to be much higher than anticipated.

Energy and Climate Change Minister Greg Barker said:

"I want to drive an ambitious roll out of new green energy technologies in homes, communities and small businesses and the FIT scheme has a vital part to play in building a more decentralised energy economy.

"We have carefully considered the evidence that has been presented as part of the consultation and this has reinforced my conviction of the need to make changes as a matter of urgency. Without action the scheme would be overwhelmed. The new tariffs will ensure a sustained growth path for the solar industry while protecting the money for householders, small businesses and communities and will also further encourage the uptake of green electricity from anaerobic digestion."

From the 1st of August 2011, new entrants into the FIT scheme will receive amended tariffs as set out below:

SOLAR PV:

>50 kW $- \le$ 150 kW Total Installed Capacity (TIC) - 19.0p/ kWh >150 kW $- \le$ 250 kW TIC - 15.0p/ kWh 250 kW - 5 MW TIC and stand-alone installations - 8.5p/ kWh

ANAEROBIC DIGESTION:

≤ 250 kW - 14.0p/ kWh >250 kW - < 500 kW - 13.0p/ kWh

Over 500 responses were received and carefully analysed before a decision was made regarding the change in tariffs. The fast track review showed that the number of planned larger PV projects is much higher than originally expected. Without urgent action, the scheme would have been overwhelmed within a very short period of time. Every 5 MW large scale solar scheme would incur a cost of approximately £1.3 million per year, which means that 20 such schemes would incur an annual cost of around £26 million, money that could support PV installations for over 25,000 households.

The changes, to take effect from 1st August for new installations and subject to Parliamentary and State aid clearance, will help manage the finances of the Feed-in Tariffs to ensure value for money for the consumer and to help protect the scheme in the future. Solar schemes under 50kW are unaffected by this review.

NOTES FOR EDITORS

- 1. The FIT scheme started in April 2010 and to date over 40,000 installations have registered for this scheme. The scheme aims to encourage the deployment of additional small scale low carbon electricity generation by individuals, householders, businesses and communities who have not traditionally participated in the electricity market.
- 2. Figures on uptake can be found on the Ofgem website via their live data reports[External link] (view Public Reports)
- 3. The Government response to the fast track review is available to download via the consultation page on the DECC website.
- 4. The Government will not act retrospectively and any changes to generation tariffs implemented as a result of the fast-track review will only affect new entrants into the FITs scheme. Installations which are already accredited for FITs at the time the changes come into force will not be affected.
- 5. Further details on how the costs of the FIT scheme are managed via the control framework for DECC levy funded spending are published on the HMT website: see Control Framework for DECC levy-funded spending (PDF)[External link] and Control framework for DECC levy-funded spending (HMT web page)[External link]

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 6. A consultation on the comprehensive review of the scheme will be launched this summer with intention that resulting changes to effect from 1st April 2012, unless the review itself reveals a need for greater urgency. 7. Greg Barker's Written Ministerial Statement 8. FITs page on the DECC website 	the scheme take