



By Tim Pullen

Selling Energy to the Grid

The question still gets asked if it is possible to sell to the grid and the answer is almost invariably yes. Grid operators have been compelled by Government legislation to allow export to the grid for some years. With the introduction of Feed-in Tariffs in April 2010 we now get a good price as well.

The only alternative is to store your electricity on site, in batteries. Batteries will add significantly to the capital cost of the project, require maintenance, have a relatively short life and present a disposal problem. If exporting to the grid is available as an option it is the only option that makes financial and ecological sense.



The problem with exporting to the grid is often the connection charge. The power cable coming into the house will have a certain capacity and the wind turbine or PV system may have the capacity to exceed that capacity. In which case the grid operator will charge to upgrade the line and possibly the transformer that the line comes from.

It has to be said that sometimes the prices, and the reasons, given by the grid operator for upgrades seem straight out of Hansel & Gretel. In my own case they needed £11,000 to upgrade my line to accept a 5kW wind turbine. The turbine has a maximum generating capacity of 25amps and the line coming into the house had 60 amp capacity which apparently means upgrading the line and transformer! I can't pretend to understand why, and there is no appeal and not option to negotiate.

ROC's

These are Renewable Obligation Certificates and no longer relevant to domestic scale generators. The exception is hydro schemes.

When Feed-in Tariffs were introduced with it came the Microgeneration Certification Scheme. A method of accrediting equipment and installers to ensure they meet a given standard. For many "technical" (so say Ofgem who administer the scheme) reasons only 4 hydro installation companies in the whole of the UK became accredited. This means that anyone wanting to install a hydro scheme can either wait

until the accreditation scheme is sorted out or go with a non-accredited installer (but one that was certified under the previous Clear Skies scheme) and go on the ROC scheme to get their payments.

The current value of a ROC is about 5p per kWh or £50 per MWh. That is for the electricity produced, NOT the electricity exported to the grid. The electricity exported is also sold (now about 9p per kWh), giving a total return of about 14p per kWh exported.

As of April 2009 double ROC's for systems under 50kW capacity are being issued for hydro installation, which increases the value of exported electricity to about 19p. The Government made a commitment in January 2009 that ROC's will remain in place until 2027 for micro-generators, but said nothing about double ROC's remaining in place.

Feed-in Tariff

See separate information sheet for full details.

Conclusion

What this all means is that renewable energy has become a commercial investment decision. It now has the potential to be an income stream and the land or homeowner needs to consider it with the same attention that any other commercial investment would warrant.