

Government feed-in-tariffs only benefit the well off!

Written by Karl

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The refusal of high-street banks to finance domestic solar panels has resulted in Government feed-in-tariffs only benefiting the 'well-off' but a leading solar developer reports that the situation may be about to change for the better.

When Greg Barker, the Climate Change Minister, announced changes to feed-in-tariffs (FiTs) earlier this year he said that he wanted the population at large to be able to benefit from, and engage with, renewable power generation.

However, according to industry experts the refusal of high-street banks to finance domestic solar installations has resulted in feed-in-tariffs (generated by a national levy on power bills) only being available for the 'well-off'.

But the situation maybe change to change with an announcement from Barclays that they have a £100 million fund that they intend to allocate to farms wishing to invest in renewable power technologies.

"We have to welcome the announcement from Barclays but the poor home owners is still left unable to benefit from the 8 to 10% that the FiT guarantees to domestic generators because they don't have the £8,000 or £12,000 they need to install the photovoltaic panels in the first place," said Lee Summers, director of solar developer EOS Energy.

Under the feed-in tariff scheme, individuals or developers who generate power from solar – or other renewable sources - receive payments from their energy supplier based on how much energy they generate to off-set installation costs.

"Banks have not been prepared to accept the governments 25 year index-linked commitment as collateral for a loan. At least, Barclays' announcement is a movement in the right direction. At the end of the day, feed-in-tariffs are paid for by levies on energy bills and so every home owner

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should have the opportunity to access the FiT,” said Mr Summers.

“If Barclays are prepared to accept the FiT as collateral in shouldn’t be too difficult for the government to instruct the state subsidised banks to recognise their own scheme as suitable loan security,” he said.