



## PRESS RELEASE

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### **Boosting feed in tariff for home heat and power technology will safeguard jobs, says industry**

The Government should raise the *feed in tariff* for micro-CHP to accelerate the take up of the home boiler replacement technology: this will safeguard jobs and provide cost-effective low-carbon heating and hot water for consumers, say industry representatives.

Three trade associations representing the micro-CHP industry have combined to issue a statement. Their spokesman said

“Manufacturers and energy suppliers have invested hundreds of millions of pounds to bring micro-CHP to world markets. Much of the development work, and a large part of the manufacturing, are being done in the UK. It is essential that the product is a success in the UK for this work to stay here.”

Micro-CHP is an emerging technology that is starting to appear commercially. Micro-CHP units can replace home central heating boilers and produce electricity as well as space heating or hot water. In the UK nearly a million and a half gas boilers are replaced each year and the manufacturers of micro-CHP units are chasing a large part of this mass-market.

When the FiT was set up the industry asked for 15p a kilowatt hour and instead received a tariff of 10p. The Government also set a cap on 30,000 units receiving FiT at which point it would review the situation.

“The industry wants the 30,000 unit cap removed because it creates uncertainty for investors” the industry spokesman continued, “ and a raising of the small tariff for micro-CHP to at least 15p a kilowatt hour (kWh) would also signal the Government’s desire to nurture this fledgling high-tech industry and keep jobs in Britain”.

The product cuts the carbon emissions of a household significantly. The industry also states that it will make a tangible difference to energy security and economic benefits for the UK by enhancing the grid’s ability to meet peak electricity demand while generating significant cost reductions throughout the electricity system and for household heating bills.

The three trade associations representing the micro-CHP industry are the Combined Heat and Power Association (CHPA), the Heating and Hotwater Industry Council (HHIC) and the Micropower Council (MPC).

**ENDS**

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**Notes for editors:**

Gas Micro-CHP up to 2kWe is currently included in the Feed in Tariff.

Three products have MCS accreditation: Baxi Ecogen, Whispergen and BlueGen. This means the owners can receive feed in tariff after they install them.

A campaign is now underway for the right adjustments to be made to the existing policy framework, notably:

- raising the Feed-in Tariff for micro CHP to at least 15p/kWh, and
- continued financial support for micro CHP after the initial pilot of 30,000 units.

The industry estimates that this would increase the cumulative policy cost by around £12.7 million until the end of the spending review period in April 2015, i.e. less than 2% of the total FiT budget for this period. This would be accompanied with gradual volume based tariff degression and eventual changes to the Building Regulations to mandate an emissions performance standard for new heating products, once the market is in a position to deliver this. The product cuts the carbon emissions of a household significantly and is the only technology capable of producing electricity while there is space heating or hot water demand by the property.

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