

**From:** [Hutchinson, Peter](#)  
**To:** [Connolly, Samuel](#)  
**Subject:** FW: Updated tariffs  
**Date:** 09 February 2012 11:23:46  
**Attachments:** [Doc1.docx](#)  
[image001.png](#)

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Sam – Just for your info at this stage, still some work being done on them. Hope to have final report today or tomorrow.

Thanks

Peter

**Peter Hutchinson**  
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## **Please consider the environment - do you really need to print this e-mail?**

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**From:** Iain Morrow [<mailto:Iain.Morrow@cepa.co.uk>]  
**Sent:** 08 February 2012 15:47  
**To:** Hutchinson, Peter; McCutcheon, Joanne  
**Subject:** Updated tariffs

Peter, Joanne

As requested, please find attached the updated tariff table. The geothermal number is not yet revised. Please note these are drafts and might change, so please use with caution.

Regards

**Iain Morrow**  
Managing Consultant

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### **Please note my direct line has changed**

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**DRAFT – SUBJECT TO CHECKING AND REVIEW**

Technology size band	Size range (kW) <sup>1</sup>	Tariff in original report	Updated tariff <sup>2</sup>	Notes
ASHP – Small	0-45	3.3	4.0	Increase due to inflation and switch to 2011/12 reference installation
ASHP – Medium	45+	-		
Biogas injection – All	All	2.5	3.0	Change to assumption on gate fee
Biomass boilers – domestic	0-20	4.5	5.2	Increase due to inflation and switch to 2011/12 reference installation
Biomass boilers – small	20-100	4.5 (<45kW) 1.3 (45kW+)	4.8	Intermediate tariff based on 50kW boiler
Biomass boilers – medium	100-1,000	1.3	1.4	
Biomass boilers – large	1,000+	-		
GSHP – domestic	0-20	4.0	8.4	Change to the reference installation means a higher tariff, which is tiered. 9.3p/kWh for the first 1,314 kWh/year and 4.9p/kWh thereafter
GSHP – small	20-100	4.0 (<45kW) 0.9 (45kW+)	4.3	Intermediate tariff based on 30kW pump
GSHP – large	100-500	0.9	1.3	Increase based on switch to 2011/12 reference installation
Geothermal	All	n/a	0.6	Indicative tariff only
Liquid biofuels – small	0-45	1.5	1.6	Increase based on switch to 2011/12 reference installation
Liquid biofuels – medium/ large	45+	-		
Solar Thermal	All		8.5	

<sup>1</sup> The range should be read as including the lower end, but not the upper end. For example, the range 20-100 includes 20kW boilers but not 100kW boilers – the latter are covered by the 100-500 range.

<sup>2</sup> Includes inflation, and effect of changes to technology costs and tariff bands

**From:** [Hutchinson, Peter](#)  
**To:** [Connolly, Samuel](#)  
**Subject:** RE: Updated tariffs  
**Date:** 09 February 2012 12:59:46  
**Attachments:** [image001.png](#)

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Not 100% sure, State Aid application would suggest current prices rather than future but would need to check the NERA work on the tariffs to see if they have it detailed or not.

## **Peter Hutchinson**

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**From:** Connolly, Samuel  
**Sent:** 09 February 2012 12:11  
**To:** Hutchinson, Peter  
**Subject:** RE: Updated tariffs

[what was used in GB?](#)

## **Samuel Connolly**

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**From:** Hutchinson, Peter  
**Sent:** 09 February 2012 12:05  
**To:** Connolly, Samuel  
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The change to 2011/12 ref installation means that previously the reference installation was in the future (2014/15) and therefore had lower costs given the assumption that costs will reduce over time. After discussion this been changed to all tariffs are set against a current ref installation.

Some of the other ref installations have changed following revised banding i.e. 0-45 tariff may have been based on a 20kw technology but the 0-20 is more likely to be based against a 12 kw and the 20-100 a 40kw. It depends where the model says the median installation point is. Some changes have occurred because previous ref installations were urban rather than rural or vice versa. This all comes from the model.

The only forced change is using 2012 installations as reference point, this is clearer when explaining to stakeholders and less open to challenge given the 2014/2015 installation is based on additional assumptions that are dependent on high uptake levels in the first place.

Peter

## **Peter Hutchinson**

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## **Please consider the environment - do you really need to print this e-mail?**

**From:** Connolly, Samuel  
**Sent:** 09 February 2012 11:59  
**To:** Hutchinson, Peter  
**Subject:** RE: Updated tariffs

What does the change in the reference installation mean?

## **Samuel Connolly**

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