GMI < Energy

How does solar generate an income?



A grid connected solar PV system generates revenue in 3 ways:

Generate - The solar PV system generates electricity (yellow area). You are paid for all electricity generated under the Feed in Tariff (FiT) whether you use it or not.

Save - You use some or all of the electricity generated and make savings by not purchasing as much electricity from the grid.

Export - Any electricity you don't use is exported back to the grid and you are paid Export Tariff in addition to Feed in Tariff.

The Export Tariff rate is around only half of your typical electricity rate. This means it is financially better to use as much of the electricity you generate yourself rather than export back to the grid. The ideal scenario is 100% self-use.

The solar production (curved line) peaks at midday. The electricity use is assumed to be constant throughout the day (horizontal line).

Example revenue from a 50kWp system:

- ✓ Grey areas **cost** 10p / kWh
- ✓ Orange area earns 12.57p FiT plus self-use savings at 10p / kWh = 22.57p / kWh income
- ✓ Yellow area earns 12.57p FiT plus Export Tariff at 4.6p / kWh = 17.17p / kWh income



