

**FUEL CELLS UK WELCOMES INCLUSION OF FUEL CELL MICROCHP IN CLEAN ENERGY CASHBACK SCHEME**

Fuel Cells UK welcomes the announcement that fuel cell microCHP will form part of the Government's new Clean Energy Cashback Scheme (otherwise known as the Feed-in tariff) as a critical first step in enabling fuel cells to realise their potential to provide low carbon, high efficiency heat and power to homes.

The scheme allows fuel cell microCHP systems of capacity below 2kW to receive a generation tariff of 10p/kW hour and an export tariff of 3p/kW hour. This tariff will be available to the first 30,000 systems installed under the scheme, with a review after 12,000 units have been deployed. These systems will be a key component of the long-term energy mix to 2020 and beyond and this should be reflected in support over a similar timescale in the feed-in tariff scheme beyond its pilot stage.

Whilst the scheme will have an important role in kick-starting the market for domestic scale fuel cells, and helping them to realise their potential to address carbon reduction, energy security and employment generation policy goals, Fuel Cells UK is concerned that an opportunity to facilitate wider deployment has been missed.

Dennis Hayter, Chair of Fuel Cells UK says 'Whilst the commitment to support systems up to 2kW is very welcome, we are disappointed that larger scale CHP and electricity only fuel cells are not covered, particularly given the provisions available through the Energy Act 2008. We would like to see the upper limit for fuel cell installations (whether fuelled by fossil or by renewable fuels) set at 5MW to encompass the larger systems which are commercially available today. This would allow larger scale, decentralised, low carbon generation to benefit from the scheme, thereby contributing to carbon reduction objectives and accelerating progress in reducing the costs of fuel cell installations.'

ENDS

**NOTES TO THE EDITOR**

1. Fuel cells have the potential to deliver carbon savings and efficiency benefits in a diverse range of applications, from homes through to business, hospitals, schools etc.:

*Fuel Cell MicroCHP* – for installations with the energy output of up to 50kW (standard output of current prototypes does not typically exceed 5kW). These products are not yet available commercially but are expected to enter the market in the next couple of years.

*Fuel Cell (CHP and electricity only)* – for installations of fuel cell CHP and electricity only systems up to 5MW<sub>e</sub>. Scales ranging from 250 to 400kW provide sufficient output to power hospitals, offices blocks etc., and have been widely deployed across the world. These products are commercially available and there are multiple examples of working installations (for example, at the Transport for London Palestra Building in Southwark). Deployment of these larger systems would accelerate progress down the cost curve for larger as well as for microCHP fuel cells since there are broad similarities at the component and technology level. In addition, deployment of a relatively modest number of larger CHP fuel cells would have a significant impact on carbon emissions.

2. Further details on the announcement can be found at [http://www.decc.gov.uk/en/content/cms/consultations/elec\\_financial/elec\\_financial.aspx](http://www.decc.gov.uk/en/content/cms/consultations/elec_financial/elec_financial.aspx)
3. **Fuel Cells UK** ([www.fuelcellsuk.org](http://www.fuelcellsuk.org)) acts on behalf of its members to accelerate the development and commercialisation of fuel cells in the UK. We provide a respected and authoritative point of contact and a clear, informed and up-to-date view on research, development and demonstration priorities for Government, other funding agencies and opinion formers.

Our members include the leading fuel cell companies in the UK as well as a range of other stakeholders, from energy utilities to component developers, fuel suppliers and others involved both directly and indirectly in the industry.

We cover all fuel cell applications, the full fuel cell supply chain (from research into material science through to systems integration and distribution), all fuel cell types and issues around the delivery, storage and use of associated fuels.

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