



PRESS RELEASE

For Immediate Use

17 October 2016

Renewable energy and affordable warmth bodies come together to boost funds to fight fuel poverty

A new funding drive has been launched by Orkney Renewable Energy Forum and fuel poverty charity THAW Orkney that could raise thousands of pounds to help folk achieve affordable warmth in their homes.

Renewables generators in the county are being invited to donate some of their Feed-in Tariff (FIT) income, which is paid for through electricity bills, to the local charity's affordable warmth project.

It would mean that money being made from renewable energy in Orkney would go directly to help folk heat their homes to an adequate and affordable level.

OREF chairman Dr Gareth Davies said: "A large number of Orkney renewable energy generators, primarily privately owned domestic wind turbines, receive an income from Feed-in Tariff generation amounting to approximately £750 per kilowatt of generating capacity per year. The generating capacity for these turbines in Orkney is around 5000kW or 5MW in total.

"The benefit from these domestic turbines is gained by individuals, but is paid for through costs on all of our electricity bills. Often those on low incomes have poorly insulated houses and correspondingly large electricity bills, whereas, many of the more well-off have been able to insulate their houses and so pay less for their energy. Electricity therefore often takes a much larger proportion of the income of less well-off households, meaning that the burden of paying for the FIT falls disproportionately on the poor."

In Orkney it is estimated that each domestic electricity customer pays approximately £32 per year towards FIT payments. This equates to around £320,000 being paid out annually from Orkney towards FITs. This means that the socialised cost to Orkney of a 5kW wind turbine is approximately £90 per year, compared to an income of around £3750 for the turbine owner.

Dr Davies explained: "Paying just £7.50 per month - £90 per year - for a 5kW turbine would represent approximately 2.5% of income. If we can get half of the nearly 5MW of small scale wind in the county to participate then this would provide THAW Orkney around £56,000 per year to invest in fuel poverty alleviation."

One turbine owner has already voluntarily started paying into the scheme, which creates a mechanism for the repayment – or 'recycling' – of the proportion of the FIT payments from neighbouring consumers in Orkney.

The move has been welcomed by Robert Leslie, interim chairman of THAW Orkney.

Mr Leslie said: “Orkney is top of the fuel poverty league table in Scotland, with 63% of households in fuel poverty so this FIT recycling scheme can only be a positive move, and it is great that we already have one wind turbine owner with a direct debit set up.

“THAW Orkney has found that the situation in Orkney appears even worse than we first thought. Our staff have been in touch with almost 300 households since launching its service in early 2016. While fuel poverty is defined as having to spend 10% of income on all household energy, we’ve found that almost 20% of the households we have seen would have to spend over 40% of income to heat their homes adequately, putting them deep into the extreme fuel poverty category.

“While some folk in Orkney have been able to take full advantage of the renewable energy revolution to reduce their energy costs, others struggle with the choice between heating and eating. This is especially foremost in folk’s minds as we head into the winter months. This new FIT recycling scheme effectively allows FIT recipients to defend themselves from any accusation that they are receiving money from those in the county less able to afford it.

“Through the scheme, FIT recipients can set up a direct debit with THAW Orkney to enable us to undertake fuel poverty alleviation measures. These will always to be targeted at the fuel poor and therefore will begin to address the issues underpinning fuel poverty. These FIT recycling contributions will be ring fenced so that we can clearly show the benefits that they bring to folk throughout Orkney who are currently struggling to heat their homes.”

ENDS

For further information contact:

Dr Gareth Davies:

Email: Gareth.Davies@aquatera.co.uk

Tel: 01856 850088

Or

Robert Leslie:

Email: robert.leslie@ohal.org.uk

Tel: 01856 875253