DRAFT

BASIC ELEMENTS OF A PROPOSED RENEWABLE ENERGY FEED-IN TARIFF BILL FOR [INSERT COUNTRY OR REGION]

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This document is not suitable for direct 'copying and pasting' into proposed legislation, which should be done in conjunction with local lawyers and/or legislature officials. We expect it to be generally suitable for producing a first, public discussion draft of the main provisions needed to enact a good FIT law.

DRAFT

RENEWABLE ENERGY FEED-IN TARIFF BILL

Considering the urgent need to reduce greenhouse gas emissions in order to prevent dangerous climate change,

Noting the increasing, large-scale contribution that producing electricity from renewable energy sources can make to reducing such emissions, at the same time as helping to meet our energy needs and having other beneficial environmental, social and economic effects,

Noting particularly the importance of a secure and diversified energy supply,

Aware of the benefits in these respects that well-designed renewable energy feed-in tariff laws have brought in, and to, other countries and regions, and

Wishing to enact such legislation in [insert the name of your country or region], the [insert the name of the relevant legislative body] hereby passes the following law

NOW IT IS HEREBY ENACTED AS FOLLOWS:

1 Purpose

The purposes of this Act are to promote the production and use of electricity from renewable energy in order to:

(1) mitigate urgently the causes of climate change;

(2) reduce local and regional air, soil and water pollution;

(3) protect the environment and human health;

(4) contribute to the achievement of sustainable development;

(5) create new jobs and improve economic and social well-being in rural and isolated areas;

(6) secure and diversify the energy supply;

(7) reduce long-term price volatility of fossil fuels; and

(8) contribute to the development of the energy technology industry.

2 Scope

The scope of this Act is to provide for:

(1) the setting and achievement of targets for the amount of electricity consumed from renewable energy;

(2) the technologies and plants whose producers will benefit from obligations in respect of transparent, objective and non-discriminatory connection to the grid, and of payment of a tariff for the electricity produced, guaranteed for a minimum period; and

(3) progress reports on its operation.

3 Targets

(1) By 2010 the amount of electricity produced from renewable energy shall be no less than [X] per cent of total electricity consumption [in the relevant country or region]

(2) By 2015 the amount of electricity generated from renewable energy shall be no less than [X] per cent of total electricity consumption [in the relevant country or region]

(3) By 2020 the amount of electricity generated from renewable energy shall be no less than [X] per cent of total electricity consumption [in the relevant country or region]

(4) The [relevant Minist[er][ry], such as the Minist[er][ry] for Energy] shall exercise their powers and duties to achieve such targets

(5) For the purposes of this section, "renewable energy" means renewable non-fossil, non-nuclear energy, excluding large hydropower.

4 Eligible technologies and plants

(1) Each of the following technologies is an Eligible Technology for the purposes of this Act:

(a) biogases;

(b) Biomass;

(c) geothermal;

(d) landfill gas;

(e) sewage treatment plant gas;

(f) Small hydropower;

(g) Solar PV;

(h) solar thermal;

(j) tidal;

(k) wave; and

(l) wind.

(2) In respect of each Eligible Technology, the following plants and categories of plants shall each be known as an Eligible Plant:

(a) in respect of plants producing electricity from biogases:

(i) plants with a capacity up to and including [X] Mw;

(ii) plants with a capacity above [X] Mw up to and including [Y] Mw; and

(iii) plants with a capacity above [Y] Mw;

(b) in respect of plants producing electricity from Biomass:

(i) plants with a capacity up to and including [X] Mw;

(ii) plants with a capacity above [X] Mw up to and including [Y] Mw; and

(iii) plants with a capacity above [Y] Mw;

(c) in respect of plants producing electricity from geothermal energy:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(d) in respect of plants producing electricity from landfill gas:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(e) in respect of plants producing electricity from sewage treatment plant gas:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(f) in respect of plants producing electricity from Small hydropower:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW, but no greater than [Z] MW;

(g) in respect of plants producing electricity from Solar PV:

(i) plants producing electricity from Architecturally-integrated PV:
(aa) with installed capacity up to and including [X] MW;
(bb) with installed capacity above [X] MW up to and including [Y] MW; and
(cc) with an installed capacity above [Y] MW;

(ii) plants producing electricity from Partially-integrated PV:
(aa) with installed capacity up to and including [X] MW;
(bb) with installed capacity above [X] MW up to and including [Y] MW; and
(cc) with an installed capacity above [Y] MW; and

(iii) plants producing electricity from Non-building integrated PV:
(aa) with installed capacity up to and including [X] MW;
(bb) with installed capacity above [X] MW up to and including [Y] MW; and
(cc) with an installed capacity above [Y] MW;

(h) in respect of solar thermal;

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(j) in respect of plants producing electricity from tidal energy:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(k) in respect of plants producing electricity from waves:

(i) plants with a capacity up to and including [X] MW;

(ii) plants with a capacity above [X] MW up to and including [Y] MW; and

(iii) plants with a capacity above [Y] MW;

(l) in respect of plants producing electricity from wind:

(i) plants situated offshore; and

(ii) plants situated onshore.

(3) An Eligible Plant shall meet the safety and technical standards set down by [the relevant standards body, Minist[er][ry] or other official body] for connecting to, and for supplying electricity into, the grid.

5 Grid connection, reinforcement and costs

(1) Upon the written request of an Eligible Producer, the Grid Operator shall immediately connect his Eligible Plant to the electricity grid and as a priority.

(2) The Grid Operator shall, at the written request of an Eligible Producer, promptly reinforce the grid where this is necessary in order to accept electricity from that producer';s Eligible Plant into the grid.

(3) The costs of connecting an Eligible Plant to the electricity grid, including, where necessary, grid reinforcement costs, shall be borne in accordance with the Shallow Charging method.

6 Transparency

(1) The Grid Operator shall prepare, publish and apply transparent, objective and non-discriminatory rules for:

(a) connecting Eligible Plants to the grid, including reinforcement and costs;

(b) charging transmission and distribution fees;

(c) the sharing of grid system costs between all producers benefiting from them; and

(d) determining and allocating grid capacity.

(2) An Eligible Producer shall be provided with a comprehensive and detailed estimate of the costs associated with connection of his Eligible Plant to the grid.

7 Priority purchase obligation

The Buyer shall purchase, and the Grid Operator shall transmit, as a priority the electricity produced from the Eligible Plant. The Buyer shall not refuse to purchase, and the Grid Operator shall not refuse to transmit, such electricity on the grounds of insufficient grid capacity.

8 Price payable for a guaranteed period

(1) The Buyer shall pay the Eligible Producer the tariff for the relevant period.

(2) The tariff shall be:

(a) the amount [in cents] per kWh of electricity produced from each Eligible Plant;

(b) for the relevant period in respect of that Eligible Plant,as set out in the Table below:

Eligible Technology	Eligible Plant	Tariff	Guaranteed Period
biogases	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
Biomass	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
geothermal	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
landfill gas	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
sewage treatment plant gas	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
Small hydropower	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW, and up to and including [Z] MW	X.XX	YY years
Solar PV: architecturally-integrated	Installed capacity up to and including [X] MW	X.XX	YY years
	Installed capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Installed capacity above [Y] MW	X.XX	YY years

Solar PV: partially-integrated	Installed capacity up to and including [X] MW	X.XX	YY years
	Installed capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Installed capacity above [Y] MW	X.XX	YY years
Solar PV: non-building-integrated	Installed capacity up to and including [X] MW	X.XX	YY years
	Installed capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Installed capacity above [Y] MW	X.XX	YY years
solar thermal	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
tidal	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
wave	Capacity up to and including [X] MW	X.XX	YY years
	Capacity above [X] MW, and up to and including [Y] MW	X.XX	YY years
	Capacity above [Y] MW	X.XX	YY years
wind	Offshore wind	X.XX	YY years
	Onshore wind	X.XX	YY years

(3) The tariff shall be adjusted annually by the annual increase, if any, in the consumer price index [for the relevant country or region], commencing on [insert date].

(4) [You have made no choice for this aspect of tariff adjustment]

(5) The tariff for electricity produced from Eligible Plants commissioned after [insert date] may be adjusted after at least two years have elapsed from the date this Act comes into force, and thereafter at intervals of not less than [two] years and not more than [four] years, in the light of the conclusions of progress reports under section 9 below. Such adjustments may be made [by secondary legislation].

9 Progress reports

(1) [The relevant Minist[er][ry]] shall publish a progress report on the operation of this Act:

(a) before two years have elapsed from the date it comes into force; and

(b) thereafter, at intervals of not less than [two] years and not more than [four] years.

(2) A progress report shall include assessment of:

(a) growth rates and average production costs of the Eligible Technologies;

(b) progress towards the achievement of targets;

(c) economic, social and environmental benefits of the Act (such as the amount of investment and export trade, the number of jobs created and the amount of carbon dioxide emissions avoided);

(d) additional costs for the consumer;

(e) ecological effects of the use of renewable energy sources on nature and landscapes; and

(f) whether in all the circumstances tariff adjustments are necessary.

10 Definitions

In this Act, the following expressions have the following meanings, unless the context requires otherwise:

"Architecturally-integrated PV" means Solar PV modules providing the covering material for a roof, roofing or building facade, including where integrated into roofing tiles, roof shingles and windows;

"Biomass" means the biodegradable fraction of products, waste and residues from agriculture (including vegetable and animal substances), forestry and related industries, as well as the biodegradable portion of industrial and municipal waste;

"Buyer" means the relevant Grid Operator, distribution or transmission company, or such other person authorised in the relevant area to undertake the wholesale purchase of electricity;

"Eligible Plant" has the meaning set out in section 4(2);

"Eligible Producer" means any person, whether as an individual, household, company or business, who owns or operates an Eligible Plant;

"Eligible Technology" has the meaning set out in section 4(1);

"Grid Operator" means the person from time to time who is authorised to operate the electricity transmission or distribution grid, and, where relevant, whose grid is nearest to the Eligible Plant of the Eligible Producer;

"MW" is an abbreviation for "megawatt" which means one million watts and which is equal to one million joules of energy per second;

"Non-building integrated PV" means Solar PV other than Building-integrated PV;

"Partially-integrated PV" means Solar PV modules installed on a roof, roofing or building facade;

"Shallow Charging" means a method of charging whereby the Eligible Producer pays the cost of the equipment needed to connect his Eligible Plant to the electricity grid at the appropriate voltage level, and the Grid Operator pays the costs of any necessary reinforcement of the grid;

"Small hydropower" means hydroelectric power produced from plants with a maximum capacity of [x] MW;

"Solar PV" means a system, usually consisting of a series of modules, which produces electricity by directly converting solar radiation through the photovoltaic effect.