


# Are Solar Panels still a good investment in the UK?

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[DSCN1669](#)  Are Solar Panels still a good investment in the UK? I have been putting some of my FIT income in a spreadsheet. I've read a bit about this recently and the answer to the the question "are Solar Panels still a good investment in the UK?" seems to be yes. The background of course is the huge cuts in the Feed in tariff that have taken place over the last few years as the solars' success has led to the funds allocated for this not being enough and being blamed (only partly correctly) for rising bills. Currently for new systems (OCT17) the rate paid per unit is 4p when the Feed in tariff (FIT) was launched in 2010 it was about 10 times as much. However three other factors have to be taken into account which work in solars' favour. The first is the price of systems has plunged although this rate of reduction is slowing. The second is the price of electricity has risen. Some people say the returns from [electricity savings](#) now outpace those of the FIT. This is a surprise but the figures given look plausible. It has to be said all calculations rely on steadily rising electricity prices going forward although there is little to believe at the moment this is going to change much. The third factor is the very low rate of returns on other investments. Very low interest rates and quantitative easing since 2008 have led to very low returns on almost all other investments. Have a look at a look at [investment returns](#) on this current best returns list. The very high ones are the most risky. That's not to say they are *dodgy* by *any* means but while still **legit** are more risky and are not covered by the financial services compensation scheme (FSCS). By the time you scroll down and get to the less risky bank and building society investments you are getting less than a 2% return. Compare this with the aim for solar systems of 4.5% PA return (at first 4.11 and now better at 4.9%) and you can see that solar still makes a good investment. Of course solar systems are not covered by the FSCS but do come with very long term guarantees and are very reliable. Financial investment is not the only or even the main reason you should or I did invest in PV systems. Energy security and tackling climate change are the main ones. The golden rules of investment are don't put all your money in one thing, ignore telephone scams (its amazing as I have written how many of these are energy related) and do some background checks on the company concerned. Neil PS. This PV return on investment [calculator](#) although complicated is giving me accurate answers on my current PV income putting in all my details.

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