

Delivering a Successful GB Feed-in Tariff – An Ofgem Operational Perspective

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Overview

- Context- Government Renewable Energy Policy
- Outline of the Feed-in Tariff Scheme
- Who does what?
- Next steps

Context for FITs

- EU Renewables Directive – 15% RE in UK by 2020
- UK Renewable Energy Strategy
 - 30% renewable electricity
 - 10% renewable transport
 - 12% renewable heat
- Energy Act 2009 introduced primary powers for FITs
- Government introduced FITs on 1 April 2010

Outline of the FITs Scheme

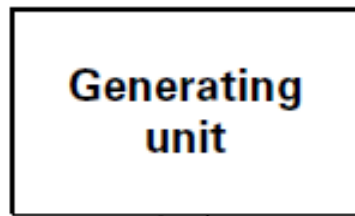
- Requirement on electricity suppliers with over 50,000 customers to pay a fixed tariff to eligible small generators for their kWh output
 - Generation tariff – varies with technology, capacity and installation/registration date
 - Export tariff – set at 3p/kWh
- Suppliers below 50,000 customers can choose to offer the tariff
- Costs of the scheme spread across all suppliers (“levelisation”)
 - PV, Wind, Hydro and AD below 5MW and CHP below 2kW eligible
 - Generation must be metered; export can be deemed if below 30kW

Illustration of potential electricity flows for an on-site generator

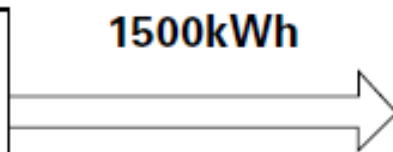
Approx. 3kW PV system; import tariff of 12p/kWh assumed

£902
payment

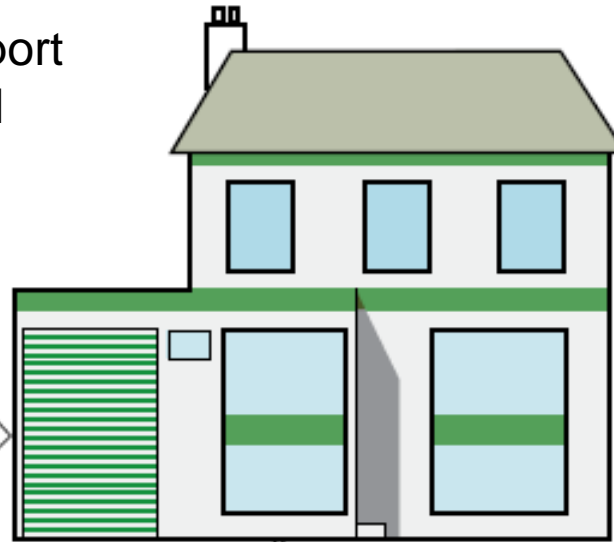
G
2500kWh



O
1500kWh

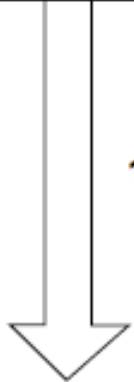


£180
savings



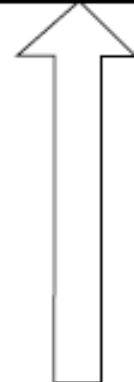
U
4500kWh

E
1000kWh



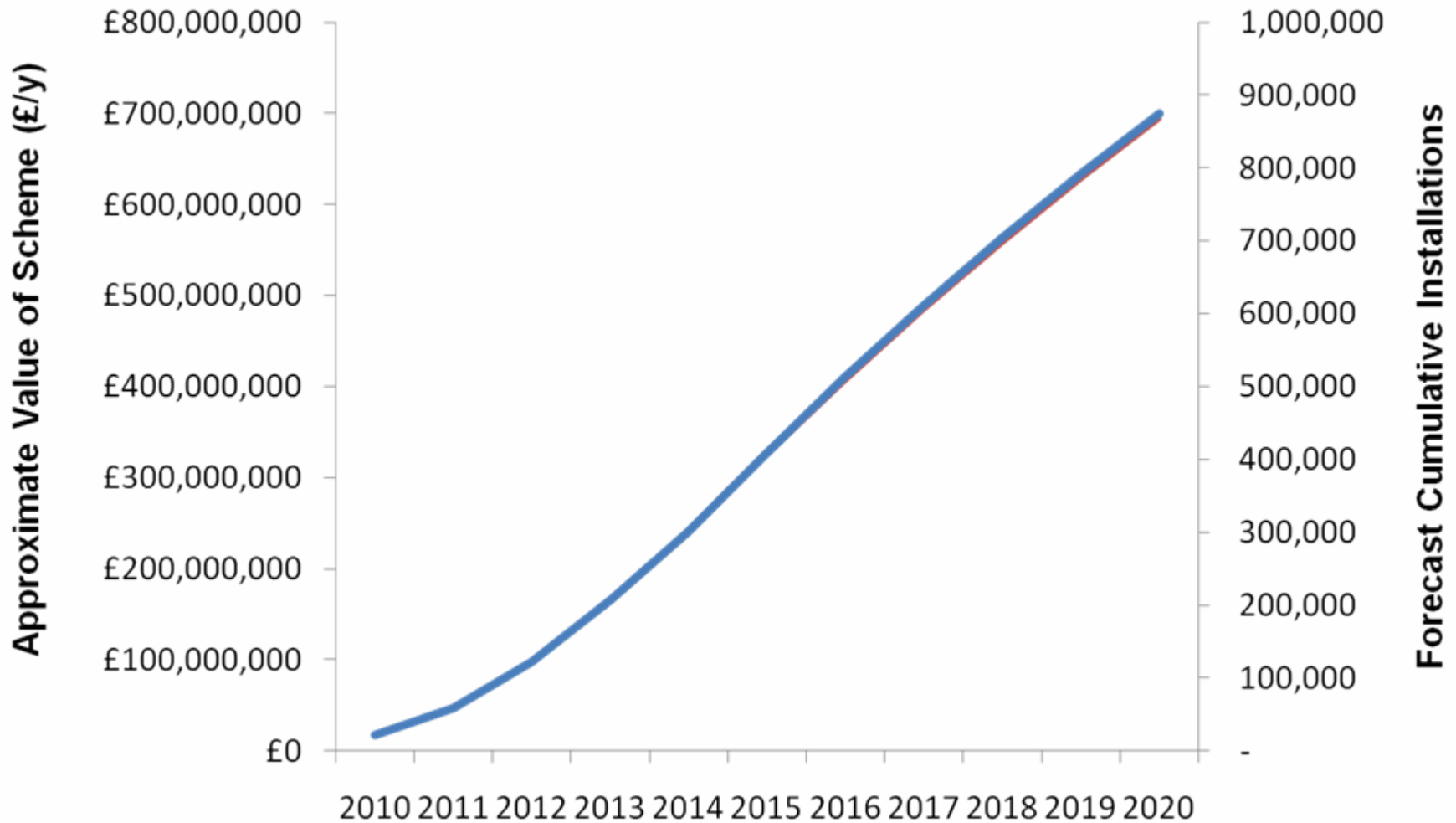
£30
payment

I
3000kWh

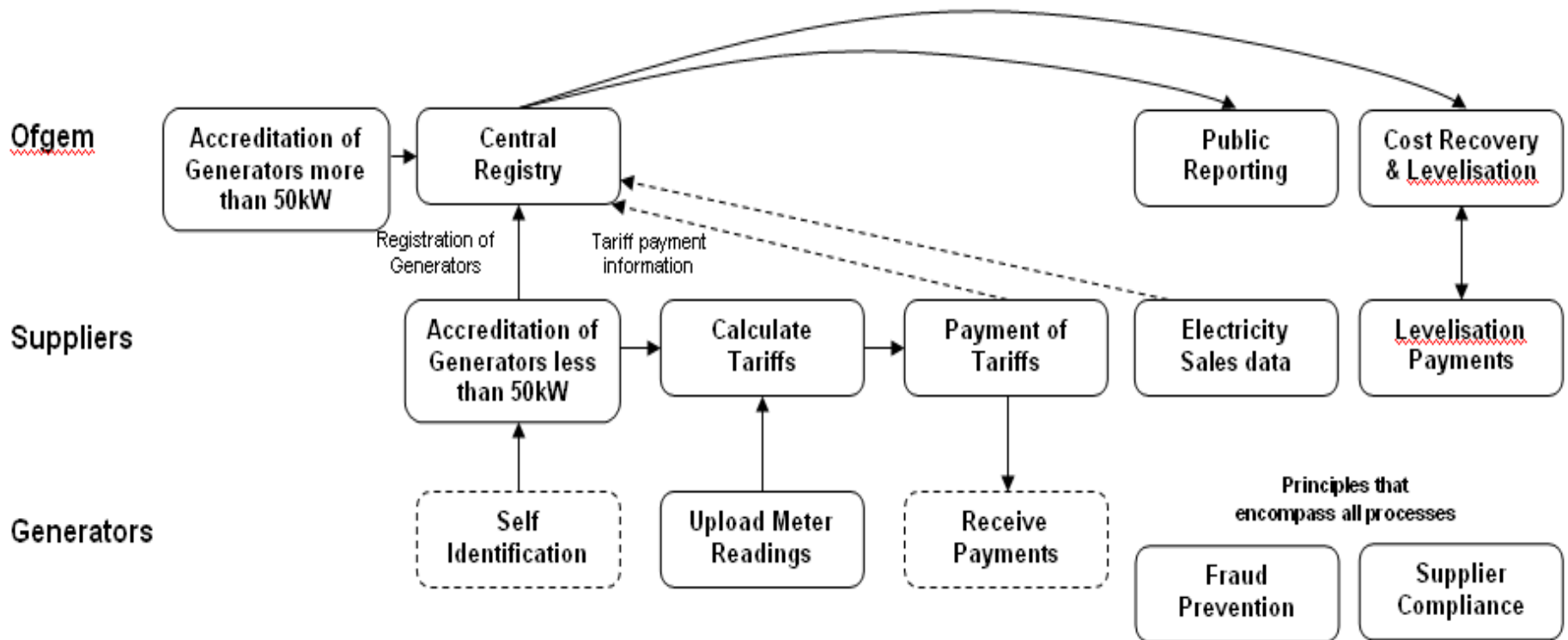


Total income/savings £1,112

Forecast Growth in Scheme Value and Generator Numbers



Who Does What?



Enquiries and Communications

EST/Carbon Trust
(Domestic/Business)

- Basic and impartial information on technologies, suitability and FITs

MCS/GemServe
(microgen pv, wind and hydro)

- Finding MCS products and installers
- Direct Installers and Manufacturers

Ofgem
(ROO-FIT and RO)

- List of FIT Licensees
- Only deal with ROO-FIT applicants and migrating generators

DECC
(Policy)

- Tariff levels and cut off date
- Grants

Next Steps

Timetable

w/c 10 May	Ofgem Guidance formally published
w/c 24 May	Consultation response published
Wednesday 30 June	Periodic levelisation period ends/deadline for Annual FIT Notification
Thursday 1 July	Central Register - Phase 2 system implementation
Wednesday 7 July	First levelisation report due
w/c 2 August	Complete levelisation process and produce first quarterly report



ofgem E-Serve

Promoting choice and value
for all gas and electricity customers