

# Feed-in Tariff Update

In this newsletter, we provide an update on the first nine months of the Feed-in Tariff scheme. We give an overview of the latest figures for the number of installations that are now participating. This newsletter also gives an overview of the statistics in the third quarter (1 October – 31 December 2010) of the scheme. This newsletter is currently available on a quarterly basis.

## Key Facts

- ▶ By 23 February 2011, 24,744 installations had registered to participate in the scheme – this includes both units that have been newly installed since the FIT scheme went live on 1 April and that were previously claiming payments under the Renewables Obligation
- ▶ 18,464 installed renewable installations were registered between 1 April 2010 and 31 December 2010 representing 68 MW of total installed capacity
- ▶ A total of £3,519,462.96 FIT payments were due to generators from the second levelisation process



## The Feed-in Tariff scheme

- The scheme was introduced on 1 April 2010 to promote the uptake of small-scale renewable electricity generation.
- It requires participating licensed electricity suppliers (FIT Licensees) to pay tariffs to generators for electricity generated & exported.
- The scheme is applicable to a number of renewable technologies.
- All licensed electricity suppliers are required to make payments into Ofgem's levelisation fund, based on their market share of the GB electricity supply market.
- The levelisation fund is then redistributed to FIT Licensees that have made more payments than they would be required to by their market share contribution.
- FIT Licensees are responsible for registering eligible installations, processing generation data and making payments.
- Ofgem is responsible for running the behind the scenes administration of the FITs scheme, while DECC is responsible for the policy.

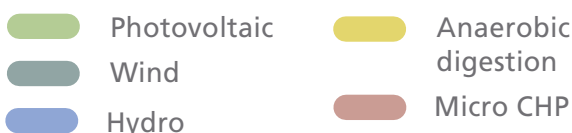
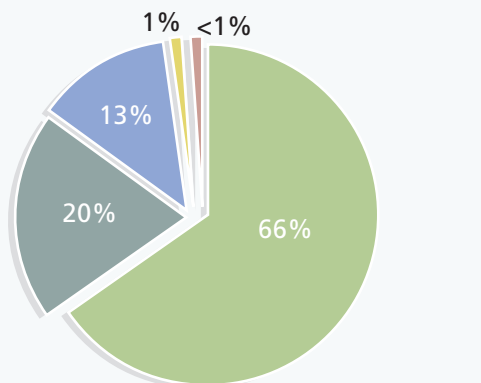
## FITs Activity 1 April – 31 December 2010

In the first nine months of the Feed-in Tariff scheme 18,464 renewable installations registered with FIT Licensees. In the third quarter alone over 7,000 installations registered, which represents a slight decrease from the second quarter. However when excluding those generators migrated from the Renewable Obligation there was an increase in the number of new registrations in the third quarter.

As illustrated in **Table 1**, 93 percent of the registered installations are of photovoltaic technology. The high share of photovoltaic installations remains consistent in all quarters. The number of installations registered since the second quarter grew across all renewable technologies and the first two anaerobic digestion installations were registered under the scheme. Included in the numbers of installations in Table 1 are over 4,400 installations migrated from the Renewables Obligation scheme through the 9 month period, with more than 3,000 being migrated in the second quarter.

**Chart 1** illustrates the percentage of total installed capacity of registered installations by technology between 1 April and 31 December 2010. The share of installed capacity of photovoltaic installations increased by 6 per cent (or 19 MW) since September 2010. Unlike photovoltaic installations, the share of installed capacity of wind and hydro technologies fell. The total installed capacity of all registered installations since September 2010 increased by half to 68MW; this figure includes migrated installations.

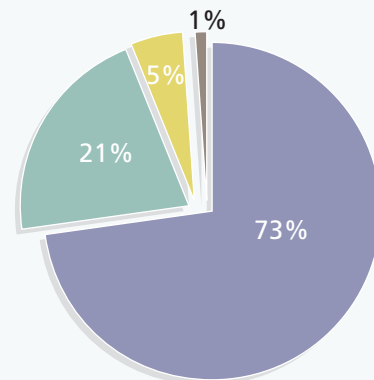
**Chart 1: Total installed capacity by technology type for April - December 2010**



**Table 1: Number of FIT installations by quarter** (including installations migrated from the Renewables Obligation during that period). It should be noted that these figures are subject to minor changes.

|                     | Installations registered in Q1 | Installations registered in Q2 | Installations registered in Q3 | Total        |
|---------------------|--------------------------------|--------------------------------|--------------------------------|--------------|
| Hydro               | 4                              | 110                            | 48                             | 162          |
| Photovoltaic        | 2725                           | 7851                           | 6674                           | 17250        |
| Wind                | 64                             | 638                            | 326                            | 1028         |
| MicroCHP            | 0                              | 5                              | 17                             | 22           |
| Anaerobic digestion | 0                              | 0                              | 2                              | 2            |
| <b>Total</b>        | <b>2793</b>                    | <b>8604</b>                    | <b>7067</b>                    | <b>18464</b> |

**Chart 2: Total installed capacity by installation type for April - December 2010**



**Chart 2** represents the total installed capacity of registered installations by installation type between 1 April and 31 December 2010. The share of installed capacity in the domestic and community sector is consistent with the activity reported in the first six months of the scheme. The total installed capacity in the domestic sector increased from 31MW at the end of Q2 to 49.8MW at the end of Q3. The percentage of commercial installations fell marginally as the installations in this sector did not keep pace with those in the domestic sector.

## Regional breakdown of FITs activity 1 April – 31 December 2010

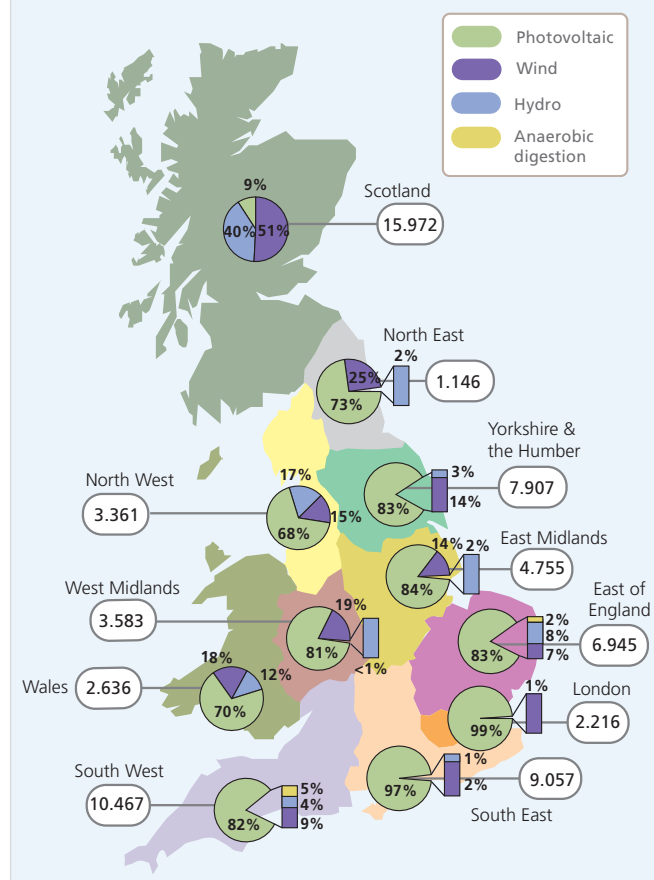
**Chart 3** illustrates the regional breakdown of the installed capacity by technology and region within Great Britain. In the majority of regions, since September 2010 the percentage of installed capacity of photovoltaic installations increased against other technologies. However, the share of installed capacity of photovoltaic technology decreased in Scotland due to an increase in wind capacity. There were also minor reductions in the North East, London and the South West.

The total installed capacity of MicroCHP is 22kW, which represents 0.032% of the total installed capacity. Because this figure is negligible compared to the overall picture, this technology has been removed from **Chart 3**. MicroCHP installations have been installed in all regions

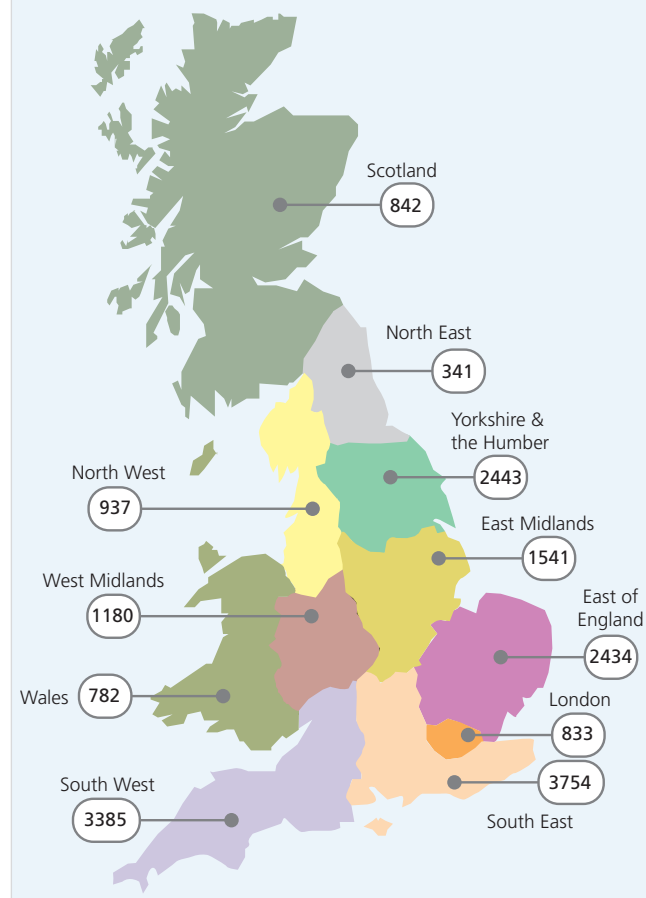
across Great Britain, with the exception of Scotland and the North East.

**Chart 4** illustrates the regional breakdown of the number of installations under the Feed-in Tariff scheme. An overview of the chart indicates that all regions saw significant increases in the number of installations, particularly in the West Midlands and Yorkshire & the Humber. The number of registered installations in these regions almost doubled between 1 October & 31 December 2010. The largest concentration of registered installations remains in the South of England, and corresponds with the higher amount of installed capacity in these regions.

**Chart 3: Regional breakdown of installed capacity by technology (MW)**



**Chart 4: Regional breakdown of registered installations**



## Migration of accredited RO installations to FIT

To date, more than 4,700 installations registered under the Renewables Obligation (RO) have been migrated to the FIT

scheme. Of those that submitted complete information by 17 September, 99.4% were migrated by 30 September 2010.

## How to see up-to-date information on FIT activity

The activity described in this newsletter relates to the first nine months of the FIT scheme (1 April 2010 and 31 December 2010). For more up to date details on the FIT activity, please refer to the public report available from the Renewables and

CHP Register: <https://www.renewablesandchp.ofgem.gov.uk>. You can look up the most up-to-date information by clicking on the FIT Summary Report or FIT Installations Statistical Report, found in the Public Reports section.

## FIT Levelisation process

The third periodic levelisation process of the FIT scheme covered the period of 1 October to 31 December 2010 and took place in January and February 2011. Licensed electricity suppliers reported 86,011,525.73MWh of electricity supplied in this period.

As part of the levelisation process, all licensed electricity suppliers (regardless of FIT participation status) are required to make payments into Ofgem E-Serve's levelisation fund, based on their market share of the Great Britain electricity supply market and any FIT payments. The fund is then redistributed to FIT licensees that have made more payments to the generators than they would be required to by their market share contribution.

In the third periodic levelisation, FIT Licensees reported a total of £3,519,462.96 of FIT payments due to generators. This figure includes generation and export (deemed and metered) payments claimed by generators and represents an increase of more than £1 million compared with the claims made in the previous

quarter. This large increase in payments can be attributed to the continued growth of installations registering for FITs.

The total levelisation pot was calculated to be £4,662,879.08 in the third quarter. This figure represents the cost of the scheme in that quarter and includes generation payments, deemed export payments claimed by the generators, the value of deemed export to the licensed electricity suppliers and the Qualifying (administration) costs incurred by FIT Licensees.

Ofgem E-Serve calculated that £2,287,657.92 was to be paid into the levelisation fund collectively by the licensed electricity suppliers. All payments owed into the fund were made, and this amount was successfully redistributed to all FIT Licensees that were owed money from the fund, by 7 February.

The fourth periodic levelisation process is due to commence in April 2011 and will cover the period 1 January to 31 March 2011. A timetable for the periodic levelisation periods is available from the Ofgem website: [www.ofgem.gov.uk/fits](http://www.ofgem.gov.uk/fits)

## Feed-in Tariff scheme contact details

For information on home electricity generation and how to join the FITs scheme, please contact the Energy Saving Trust on 0800 512 012

Businesses looking to participate in the FITs scheme should contact the Carbon Trust on 0800 085 2005

For information on accreditation of installations below 50kW and general information about products and installers, please contact Gemserv on 020 7090 1082

For general queries regarding FIT accreditation of installations between 50kW and 5MW, please contact [renewable@ofgem.gov.uk](mailto:renewable@ofgem.gov.uk) or 020 7901 7310

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For more information on FITs please visit the Ofgem website: [www.ofgem.gov.uk/fits](http://www.ofgem.gov.uk/fits)

A list of the current FIT Licensees is available from the Ofgem website: [www.ofgem.gov.uk/Sustainability/Environment/fits/rfits](http://www.ofgem.gov.uk/Sustainability/Environment/fits/rfits)

If you have any comments or suggestions on the information provided within the FIT update or would like to be added to the distribution list, please email [fitcompliance@ofgem.gov.uk](mailto:fitcompliance@ofgem.gov.uk).

