

Feed-in Tariff Update

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In this quarterly report we provide a summary of the statistics for the first quarter of FIT Year 4 (1 April – 30 June 2013) and a statistical overview of FIT activity since the start of the scheme until the beginning of FIT Year 4.

The Feed-in Tariff (FIT) scheme

- The FIT scheme is a Government Programme introduced on 1 April 2010 and designed to promote the uptake of a number of small-scale renewable and low-carbon electricity generation technologies.
- It is available through licensed electricity suppliers and requires some of them (FIT Licensees) to pay tariffs to generators for renewable and low-carbon electricity generated and exported.
- FIT Licensees are responsible for accrediting eligible installations with a declared net capacity less than 50 kW which are Microgeneration Certification Scheme (MCS)-certified, processing generation and export data and making FIT payments. The MCS is an independent certification body.
- Ofgem is responsible for the administration of the FIT scheme, including maintenance of the Central FIT Register, monitoring Supplier compliance and administering the Levelisation process. Ofgem is also responsible for accrediting solar PV and wind installations with a declared net capacity greater than 50 kW and all Anaerobic Digestion and Hydro installations in addition to verifying community/school status.
- The Department of Energy and Climate Change (DECC) is responsible for the FIT scheme policy.

FIT Key statistics: (1 April 2010 – 30 June 2013)

- ▶ A total of 398,509 renewable installations have been registered under the scheme as of 30 June 2013.
- ▶ 1,919.34 MW of Total Installed Capacity has been registered under FIT as of 30 June 2013.
- ▶ A total of around £166 million in FIT payments was due to generators for the quarter 1 April to 30 June 2013.

FIT Statistics for First Quarter of FIT Year 4 (1 April – 30 June 2013)

The figures used in this report are based on FIT installation figures extracted from Ofgem's Central FIT Register. For statistics regarding Microgeneration Certification Scheme figures please refer to the DECC website (www.gov.uk/government/organisations/departments-of-energy-climate-change/series/feed-in-tariff-statistics).

Almost 400,000 installations have been registered under the FIT scheme since its introduction on 1 April 2010. A total of 18,994 installations have been registered in this quarter (1 April – 30 June 2013). This is the lowest number of registered installations since April 2011 to June 2011 when there were 14,791 installations registered. Installations registered this quarter (1 April – 30 June 2013) corresponds to 5 percent of the total installations in the scheme. The number of installations registered in this quarter is 10 percent less than in the previous quarter (1 January – 31 March 2013). Additionally 126.97 MW of capacity has been registered in this quarter. This corresponds to 6.6 percent of Total Installed Capacity under the scheme. This is the lowest quarterly uptake in capacity since April 2011 to June 2011 (3 percent of Total Installed Capacity) and is 8 percent less than the previous quarter's uptake (137.63 MW).

Table 1: Number of registered FIT Installations by technology since April 2010 until the end of the last quarter, with the last year broken down into quarters. Figures are subject to change.

	Apr 10 - June 12	Jul 12 - Sep 12	Oct - Dec 2012	Jan - Mar 2013	Apr - June 2013	Total Installations
Hydro	302	35	16	19	26	398
Photovoltaic	281,715	43,636	27,980	20,633	18,761	392,725
Wind	2,939	451	733	567	187	4,877
Micro-CHP	372	31	20	18	15	456
Anaerobic digestion	21	9	7	11	5	53
Total	285,349	44,162	28,756	21,248	18,994	398,509

Table 1 illustrates the breakdown of installations registered over the last year by quarter and technology. This table shows a quarter on quarter decrease in the number of installations registered over the previous 12 months. This highlights the impact of elements of the Comprehensive Review of the FIT scheme.

Of the 18,944 installations registered between 1 April to 30 June 2013 the largest proportion consists of Solar PV installations, at more than 98.8 percent (18,761) of all registered installations. 5 Anaerobic Digestion installations were registered in

this period which is broadly consistent with previous levels.

Table 1 also shows a notable increase in the number of hydro installations (26) which is the highest since July to Sept 2012 when 35 installations were registered.

The number of Micro CHP installations continues to fall with 15 installations registered in the last quarter compared with 18 in the previous quarter. The number of Micro CHP installations registered each

quarter has decreased quarterly for the last two years.

There has also been a notable drop in the number of wind installations registered in this quarter (187) compared to the previous quarter (567). This is the lowest overall number of wind installations registered since 1 March 2011 - 30 June 2011 and is the lowest quarterly uptake in wind installations per total installations registered since the start of the scheme (0.14% of total installations).

Chart 1: Total installed capacity by technology type for 1 April 2010 - 30 June 2013

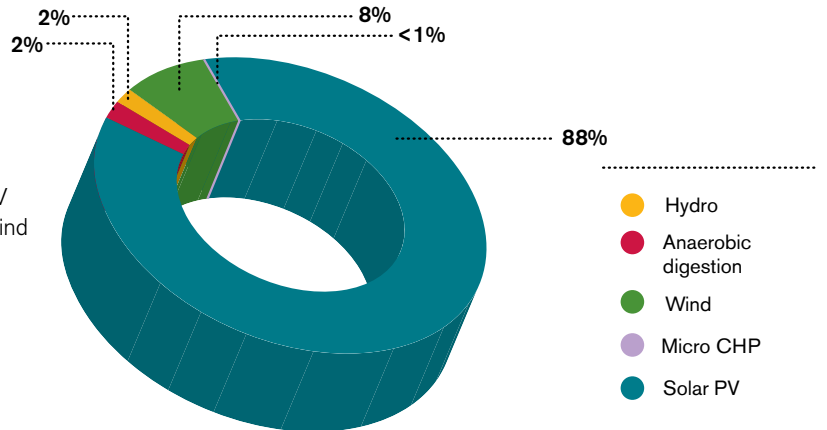


Chart 1 highlights the continued domination of Solar PV installations, at 88 percent of Total Installed Capacity. Wind installations constitute 8 percent of the Total Installed Capacity, while both Anaerobic Digestion and Hydro installations make up 2 percent each of the total. The remaining capacity of less than 1 percent is made up of micro-CHP installations.

FIT Activity: Since the start of the scheme (1 April 2010 – 30 June 2013) Overall uptake

Chart 2: Registered FIT installations by number and Total Installed capacity (1 April 2010 - 30 June 2013)

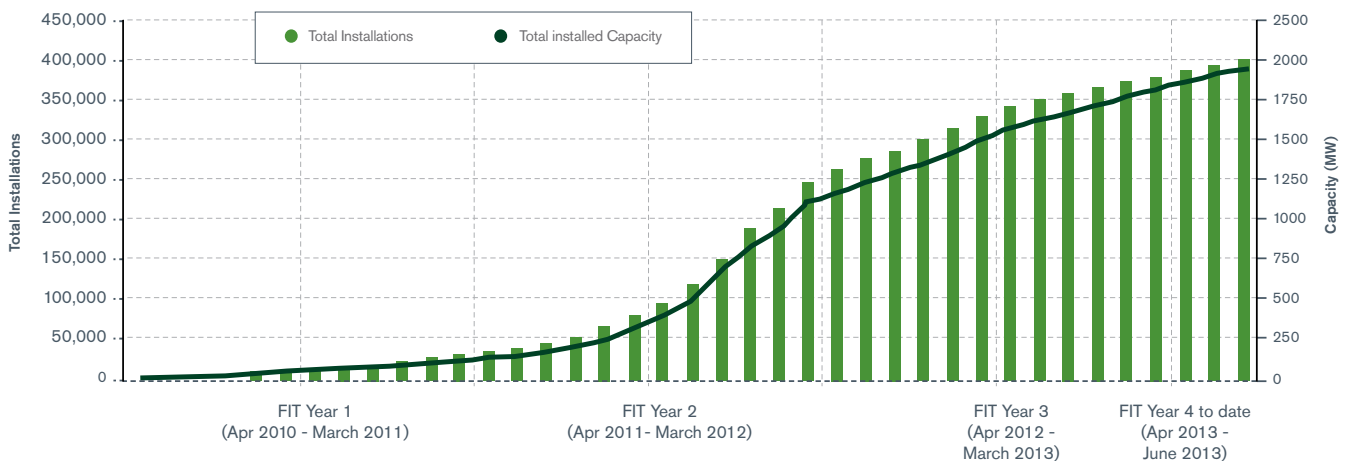


Chart 2 illustrates the cumulative growth in both the number of installations and Total Installed Capacity registered under the scheme. The chart highlights the change in registration trends across the scheme since April 2010. Of note is the more gradual uptake of installations across the scheme over the last twelve months.

Regional Breakdown of FIT Activity

Figure 1 demonstrates that the South of England has the highest Total Installed Capacity with 395.84 MW for the South West and 262.43 MW registered for the South East. All other regions of Great Britain, with the exception of London (43.27 MW) and the North East (56.37 MW), have between 100-200 MW of registered Total Installed Capacity.

Since the previous quarter's update there has been very little change in the split of capacity by technology in each region. However the percentage of Solar PV capacity installed has dropped by 3 percent in the South East from 99 percent to 96 percent. This is due to a number of large scale Anaerobic Digestion and Wind installations being registered during the 1 April to 30 June 2013 period. Similarly, the percentage of Anaerobic Digestion capacity in both the East of England and in Yorkshire and the Humber has also increased due to a number of large scale Anaerobic Digestion plants registered between the 1 April to 30 June 2013.

The regions in England make up 85.6 percent of installations under the Feed-in Tariff Scheme with Wales making up 7.6 percent and Scotland at 6.8 percent. Solar PV installations make up more than 84 percent of the Total Installed Capacity in each region except for Scotland, where it accounts for 50 percent, with Wind and Hydro accounting for 35 percent and 15 percent respectively. Scotland holds the largest average capacity of Hydro plants, with an average capacity of 245 MW compared with Wales (27.8 MW) and England (13.8 MW). England holds the largest number of Anaerobic Digestions plants registered under the Feed-in Tariff Scheme.

The average capacity of Anaerobic Digestion installations in England is 1,458 kW. This is notably higher than in Wales (499 kW) or in Scotland (262 kW).

Micro-CHP installations have been accredited in all regions across Great Britain; however as of 30 June 2013 the Total Installed Capacity of the installations was 456 kW, which represents approximately 0.02 percent of capacity under the FIT Scheme. Since this figure is insignificant compared to the Total Installed Capacity of other technologies within the scheme, this technology has been removed from the regional breakdowns in **Figure 1**.

Figure 1:
Regional breakdown of installed capacity by technology (MW)

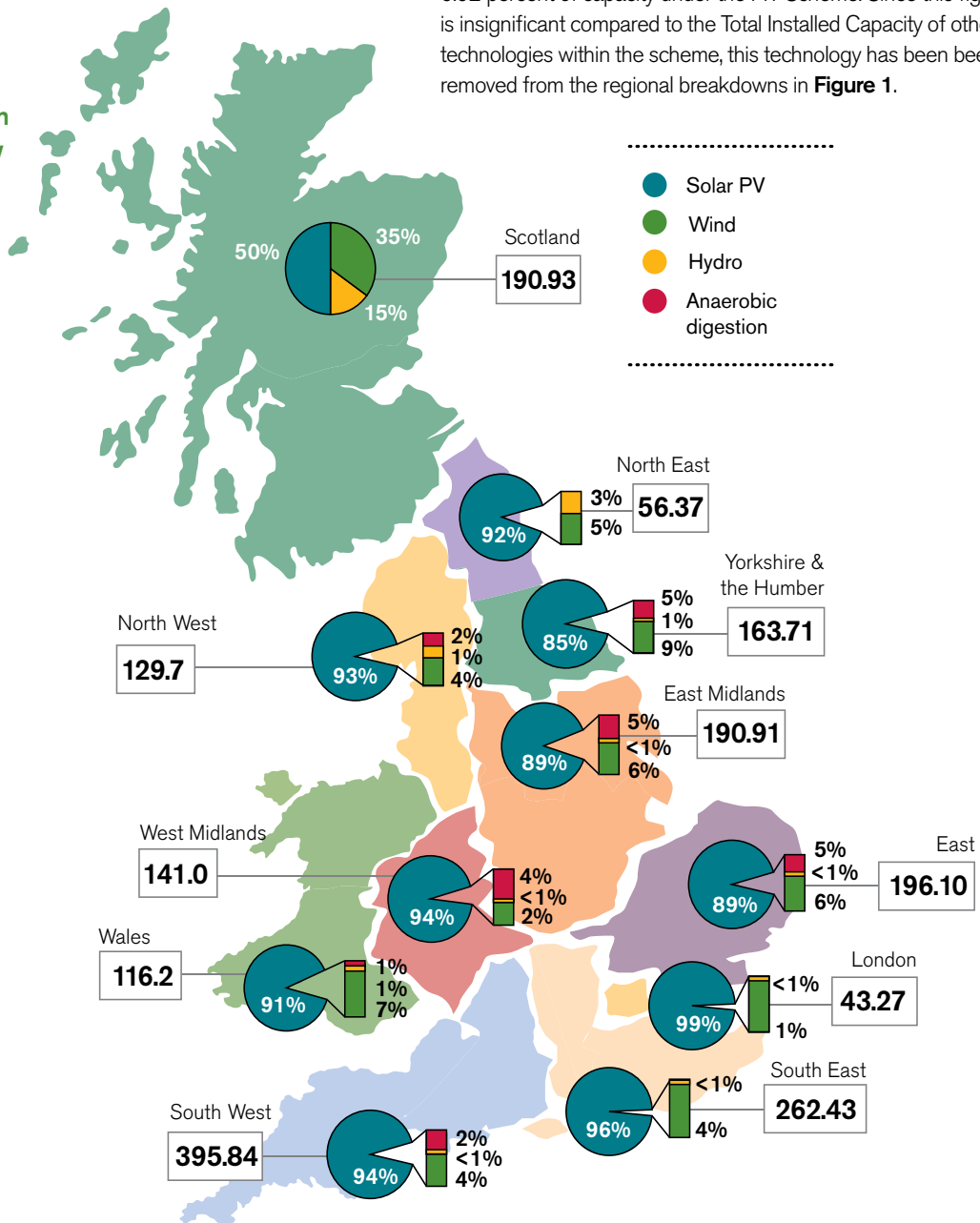


Chart 4. Percentage share of total installations and Total Installed Capacity by region



Chart 4 focuses on the regional breakdown of installations and capacity under the FIT scheme to 30 June 2013. When compared with the last quarter, the South West region still remains the holder of the highest number of FIT registered installations (16.3 percent of all installations). In addition, the South West also contains the greatest Total Installed Capacity of installations in Great Britain. The South East is the next highest region in both total numbers and installed capacity.

FIT Levelisation Process

The most recent Periodic Levelisation process covered the period 1 April to 30 June 2013 and was completed on 9 August 2013. Licensed Electricity Suppliers reported a total of nearly 70 TWh of relevant electricity supplied during this period.

As part of the Periodic 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 taking account of any FIT payments they make to generators. The fund is then redistributed to FIT licensees that have made more payments to generators than they would be required to by their market share contribution.

In the latest Periodic Levelisation period, the total Levelisation fund was calculated to be around £167 million. This figure represents an increase of just over £77 million from the previous quarter (1 January to 31 March 2013) which is likely a result of seasonal variation in generation from renewable technologies. This figure represents the cost of the scheme in that quarter and includes generation payments, deemed export payments claimed by

generators, the qualifying (administration) costs incurred by FIT Licensees, minus the value of deemed export to Licensed Electricity Suppliers.

During the most recent Periodic Levelisation period, a total of around £166 million in FIT payments to generators was reported by FIT Licensees. This figure is an increase of just over £73 million from the previous Periodic Levelisation process, and includes both generation and export (deemed and metered) payments claimed by installations registered under the scheme. In addition a total of around £70 million was paid into the Levelisation fund collectively by Licensed Electricity Suppliers in this process. All owed payments were received by Ofgem, and the fund was successfully redistributed to those FIT Licensees that were owed money from the fund.

The second quarterly Periodic Levelisation process of FIT Year 4 is due to commence from 1 October 2013 and will cover the quarter 1 July 2013 to 30 September 2013.

A timetable for the levelisation periods and deadlines for FIT Year 4 is available from the Ofgem website: www.ofgem.gov.uk/fits.

Additional information on FIT activity

The information described in this report relates to activity in the FIT scheme from 1 April 2010 – 30 June 2013. For more current details on FIT activity, please refer to the FIT Summary or FIT Installation Statistical Reports available from the Public Reports section of the Renewables and CHP Register: <https://www.renewablesandchp.ofgem.gov.uk>

Feed-in Tariff scheme contact details

For information on home or business electricity generation and how to join the FIT scheme, please contact the **Energy Saving Trust on 0300 123 1234 (England and Wales) or 0800 512 012 (Scotland)**.

For information on accreditation of installations of Wind and Solar of 50 kW and below and general information

about products and installers, please contact Gemserv on **020 7090 1082**.

For general queries regarding FIT accreditation of all Hydro and AD installations and Wind and Solar PV installations between 50kW and 5MW only, please contact **ROOFIT@ofgem.gov.uk** or **020 7901 7310**.

For more information on FITs please visit the Ofgem website: www.ofgem.gov.uk/fits

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 FITupdate@ofgem.gov.uk