

Feed-in Tariff Annual Report **2020-2021**



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Making a positive difference
for energy consumers

Executive Summary

The Feed-in Tariffs (FIT) scheme is a government scheme designed to promote the uptake of small-scale renewable and low-carbon electricity generation technologies. Encouraging the use of renewable generation technologies can help the UK reduce its carbon emissions and meet its renewable energy targets. Accredited installations that meet their ongoing obligations receive tariff payments for both the amount of renewable electricity they generate and the renewable electricity they export into the national grid. This report summarises activity during the eleventh year of the scheme (Year 11), covering 1 April 2020 to 31 March 2021.

Following the closure of the scheme to new applicants at the end of March 2019, the number of new installations registered on the FIT scheme has continued to fall with the total number registered on the Central FIT Register (CFR) increasing by 2,106 in Year 11. Solar photovoltaic (PV) remains the most popular technology type on the scheme, forming 98.88% of the 869,976 active installations on the CFR. A small number of micro-CHP installations reached the end of their ten-year eligibility period, meaning they are no longer active on the scheme.¹

The Total Installed Capacity (TIC) of installations accredited on the FIT scheme has increased to approximately 6.43 GW. 9.14 TWh of renewable electricity was generated by FIT installations during Year 11 leading to generation payments of just under £1.55 billion. Electricity exports reached almost 4 TWh, with export payments of over £199 million.

In Year 11, the total value of the scheme increased by £159 million to £1.76 billion, due in large part to a rise in the value of metered export payments. Ofgem's cost to administer the scheme in Year 11 was just under £2.9 million, equivalent to 0.18% of the levelisation fund, the second lowest proportion in the scheme's lifetime.

The number of FIT licensees continued to fall in Year 11, with 21 voluntary and 20 mandatory FIT licensees participating in the scheme. Several suppliers exited the electricity market, leaving quarterly and annual levelisation payments unpaid. This shortfall was not however significant enough to trigger mutualisation.

As part of our role administering the FIT scheme, we conduct audits of both FIT licensees and FIT generators to ensure compliance with scheme rules. The proportion of positively rated licensee audits increased in Year 11, with 67% receiving a 'good' rating. For our generator audits 65% were given either a 'weak' or 'unsatisfactory' rating. However, a high proportion of 'weak' and 'unsatisfactory' ratings is expected as these audits target known risk areas.

¹ Active installations are those installations that are accredited and still in their eligibility period for payments.

When issues are detected (for example through audit) that may affect an installation's FIT accreditation or FIT payments we conduct a compliance investigation. We closed 25 of these investigations in Year 11, seven of which resulted in compliance action. Actions ranged from the withdrawal of FIT accreditation and all payments, tariff adjustments and the reduction of future payments. In total, through our administration work during Year 11 we have identified almost £11.5 million of error and suspected fraud.

For those wishing to look at the data used in the report in more detail, a spreadsheet with this information is published alongside this report on our website.

Contents

Executive Summary	2
About the scheme.....	6
Our response to COVID-19	8
1. Accredited Installations.....	9
Number of accredited installations	9
GB regional overview	10
Installation setting.....	14
New registrations	15
Installation eligibility periods.....	16
2. FIT Scheme Costs	17
FIT Year 11 payment overview	17
Levelisation	19
Cost controls	21
Value of the FIT scheme	21
Ofgem's administration costs	22
3. Compliance of Licensed Electricity Suppliers	23
FIT Year 11 non-compliance summary	23
FIT licensees and annual notifications.....	23
Levelisation compliance.....	24
Biennial meter read verifications.....	25
FIT licensee audits.....	26
Enforcement.....	28
Issue of a financial penalty	28
4. Compliance of FIT Generators	29
FIT generator audits	29
Participant compliance	30
Counter Fraud.....	32
Safeguarding Public Funds	32
5. Our Administration	34

Application processing (ROO-FIT)	34
Communities and Schools	35
Central FIT Register (CFR)	35
Enquiries.....	37
6. Changes to the Scheme	38
Amendments to the Feed-in Tariffs Order.....	38
Use of photographic evidence for meter reading verifications	38
Replacement generating equipment	38
Annual Determinations.....	39
Appendices	40
Appendix 1: Mandatory and Voluntary Licensees.....	40
Appendix 2: Total Annual Generation and Export Payments	42
Appendix 3: Non-compliance by suppliers	44
Appendix 4: Associated Documents.....	47
Appendix 5: Glossary	48

About the scheme

The Feed-in Tariff (FIT) scheme was introduced on 1 April 2010 by the Department for Energy and Climate Change (DECC)², as it then was, and is designed to encourage uptake of small-scale renewable and low-carbon technologies in England, Wales and Scotland. The scheme requires participating licensed electricity suppliers ("FIT licensees") to make payments to owners of installations accredited to the scheme ("FIT generators") for the electricity that their installations generate and export.

Installations using solar photovoltaic (PV), wind, hydro and anaerobic digestion (AD) technologies with a Total Installed Capacity (TIC) up to 5MW and fossil fuel-derived combined heat and power up to 2kW (micro-CHP) can receive FIT payments, subject to certain eligibility requirements. Applications for PV and wind installations with a TIC up to and including 50kW as well as all micro-CHP installations were processed by FIT licensees ("MCS-FIT registration"). Ofgem processes applications for installations with a TIC greater than 50kW as well as all AD and hydro installations ("ROO-FIT accreditation").

Ofgem is the administrator of a number of the government's environmental schemes including the FIT scheme³. We continue to work closely with the Department for Business, Energy and Industrial Strategy (BEIS) to implement changes to the legislation and ensure the scheme is being delivered efficiently and in accordance with government policy.

The FIT scheme is underpinned by the Feed-in Tariffs Order 2012⁴ as amended ('The Order') and conditions 33 and 34 of the Standard Conditions of Electricity Supply Licence⁵ ('the Supply Licence Conditions'). The Order requires us to provide an annual report to the Secretary of State for BEIS by 31 December following the end of an obligation period. There is a statutory requirement to report on licensed electricity suppliers' compliance with their obligations under the Supply Licence Conditions. In addition, this report also includes other information we think will be of interest to stakeholders.

Barring some exceptions the FIT scheme closed to new registrations on 1 April 2019⁶. Exceptions were given to those that applied for preliminary accreditation or pre-registration before scheme closure, and where the validity period had not lapsed. Due to the disruption caused by COVID-19 to those wanting to convert their preliminary accreditation or pre-

² From July 2016 the new Department for Business, Energy and Industrial Strategy assumed the roles and responsibilities of the Department of Energy and Climate Change (DECC)

³ Ofgem administer the scheme on behalf of the Gas and Electricity Markets Authority (GEMA), "the Authority"

⁴ [Link to The Feed-in Tariffs Order 2012](https://www.legislation.gov.uk/uksi/2012/2782/contents/made) <https://www.legislation.gov.uk/uksi/2012/2782/contents/made>

⁵ [Link to Licences and licence conditions](https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions) <https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions>

⁶ [Link to The Feed-in Tariffs \(Closure, etc.\) Order 2018](https://www.legislation.gov.uk/uksi/2018/1380/contents/made) <https://www.legislation.gov.uk/uksi/2018/1380/contents/made>

registration to full accreditation, the government extended validity periods due to expire on or after 1 March 2020, by a further 12-months.^{7/8} Please note that despite closure, installations that have gained accreditation will continue to be eligible to receive payments until the end of their eligibility period.

⁷ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020](https://www.legislation.gov.uk/uksi/2020/375/made):
<<https://www.legislation.gov.uk/uksi/2020/375/made>>

⁸ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No.2\) Order 2020](https://www.legislation.gov.uk/uksi/2020/957/article/3/made):
<<https://www.legislation.gov.uk/uksi/2020/957/article/3/made>>

Our response to COVID-19

The COVID-19 pandemic has posed significant challenges across the energy industry, including to the FIT scheme. COVID-19 restrictions and lockdown measures affected FIT generators with 'pre-registration' or 'preliminary accreditation', which allowed those installations to be accredited to the scheme after it closed to other applications. Factors such as site closures, disruptions to working patterns and delays to supply chains interfered with generators' efforts to commission eligible installations and apply for FIT accreditation within the legislative deadlines. FIT licensees also faced challenges verifying generation and export meter readings which is an obligation of the scheme.

In response to the unprecedented circumstances faced by prospective FIT generators, the government amended the Feed-in Tariffs Order 2012 in Year 10. *The Feed-in Tariffs (Amendment) (Coronavirus) Order 2020*⁹ and the *Feed-in Tariffs (Amendment) (Coronavirus) (No.2) Order 2020*¹⁰ collectively granted a 12-month extension to validity periods for all pre-registrations for community energy solar photovoltaic (PV) installations and all preliminary accreditations which originally expired on or after 1 March 2020.

What did Ofgem do?

We worked with BEIS and our industry stakeholders to deliver proportionate responses to these challenges, delivering both amendments to the FIT legislation and policy changes to how we administer the scheme.

To minimise disruption to FIT licensees from fulfilling their obligations, we allowed licensees to temporarily use photographic evidence in place of site visits for their Biennial Meter Readings (BMVs).

Also, as our staff transitioned to working from home our phone line operating hours were reduced from March 2020. The reduced phone line operating hours led to a greater volume of email enquiries being received.

⁹ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020](https://www.legislation.gov.uk/uksi/2020/375/made):
<<https://www.legislation.gov.uk/uksi/2020/375/made>>

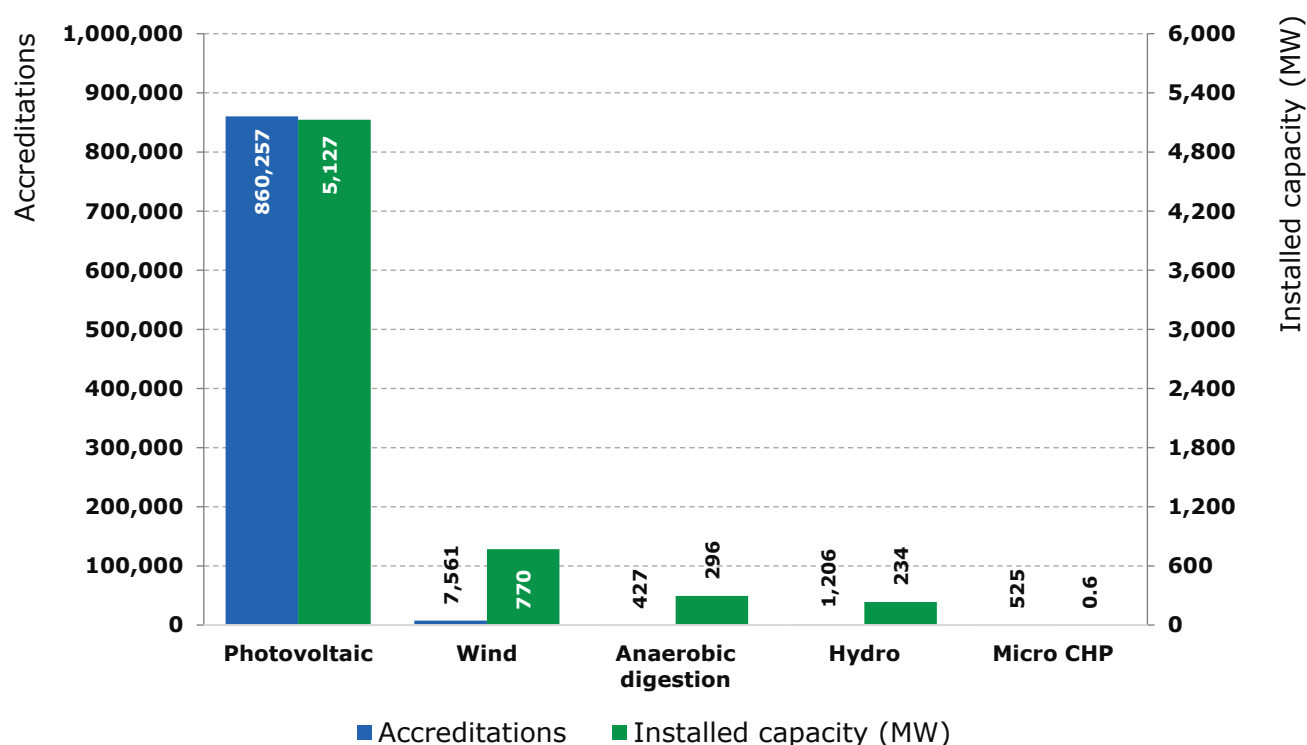
¹⁰ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No.2\) Order 2020](https://www.legislation.gov.uk/uksi/2020/957/article/3/made):
<<https://www.legislation.gov.uk/uksi/2020/957/article/3/made>>

1. Accredited Installations

Number of accredited installations

- 1.1 At the end of FIT Year 11 there were 869,976 active installations¹¹ registered on the Central FIT Register (CFR). This is a small increase of 2,106 on the 867,870 active installations registered at the end of FIT Year 10. Overall, 98.88% of these installations are solar photovoltaic (PV), and 95.42% are domestic installations.
- 1.2 Across all technology types at the end of Year 11, there was a total of 6.43GW of installed capacity on the scheme. Again, this is a small increase of just over 200MW on last year's total of 6.23GW.

Figure 1.1 Number and capacity of FIT accreditations (Total)



- 1.3 **Figure 1.1** shows a breakdown of accreditations and installed capacity on the scheme by technology type. This clearly shows the dominance of photovoltaic (PV) installations both in terms of the number of installations and installed capacity. Most of these PV installations are domestic roof top installations, and these tend to be in the 0-4kW capacity range. Apart from micro-CHP, PV installations are on average smaller than the installations of other technology types.

¹¹ Active installations are those installations that are accredited and still in their eligibility period for payments.

Table 1.1 Proportion of deployment and installed capacity by capacity band

Capacity band	Installed capacity		Installations	
0-50kW (microgeneration)	3,484 MW	54.21%	863,177	99.22%
>50kW	2,942 MW	45.79%	6,799	0.78%

- 1.4 The figures in **Table 1.1** highlight the significance of micro scale installations on the FIT scheme. Across all technology types they make up over 99% of installations. However, despite the volume of installations they make up only 54% of installed capacity. On the other hand, installations with a capacity greater than 50kW make up less than 1% of installations yet account for more than 45% of installed capacity.

GB regional overview

- 1.5 As shown in **Table 1.2** when looking at the regional distribution of installations the South West has the greatest number (123,348) and the highest proportion of installed capacity (17.98%). The South East and East of England are the only other regions with more than 100,000 installations and account for 11.30% and 10.54% of installed capacity respectively.
- 1.6 Scotland with 65,377 installations is only eighth regionally in terms of installations accredited, but second in terms of installed capacity (12.16%). The average capacity of installations in Scotland is higher due primarily to the significance of onshore wind in the country. Over 42% of all FIT onshore wind installations are in Scotland.

Table 1.2 Regional distribution of FIT installations

Region	Number of installations	Percentage of installations	Installed capacity (kW)	Percentage of installed capacity
South West	123,348	14.18%	1,155,407	17.98%
South East	114,374	13.15%	726,396	11.30%
East of England	106,137	12.20%	677,327	10.54%
East Midlands	87,950	10.11%	650,625	10.12%
North West	85,647	9.84%	469,399	7.30%
Yorkshire and The Humber	84,372	9.70%	521,803	8.12%
West Midlands	71,864	8.26%	484,452	7.54%
Scotland	65,377	7.51%	781,285	12.16%
Wales	56,735	6.52%	484,739	7.54%
North East	47,727	5.49%	208,989	3.25%
London	25,796	2.97%	129,296	2.01%
Unknown ¹²	649	0.07%	136,929	2.13%
Total	869,976		6,426,647	

1.7 **Figures 1.2** and **Figure 1.3** break down the regional distribution of installations by technology type. This helps illustrate how technologies have been utilised to take advantage of local environmental conditions. For example, broadly speaking there is a greater proportion of PV deployment in the south and there are higher levels of hydro and wind deployment in Wales and Scotland. **Figure 1.2** shows installations with an installed capacity of 50kW or less (microgeneration), and **Figure 1.3** shows those with an installed capacity greater than 50kW.

¹² During the registration process applicants provide details of where an installation is located. Normally this means a postal address, however where this is not possible a grid reference can be used instead. Installations registered using a grid reference are not categorised by region and so are listed as 'Unknown' in the table.

Figure 1.2 Distribution of FIT installations (and installed capacity) by technology type (Capacity 0-50kW)

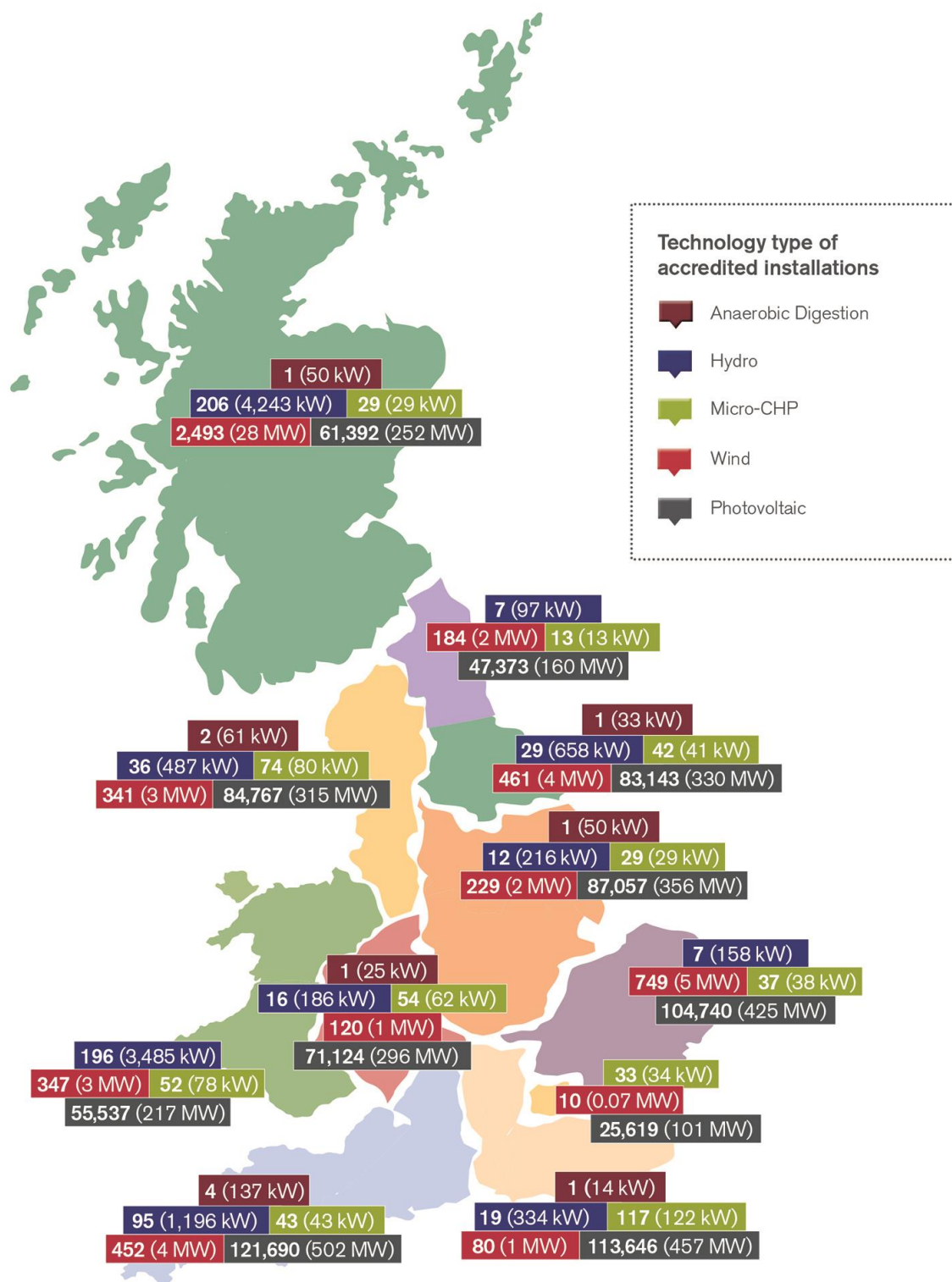
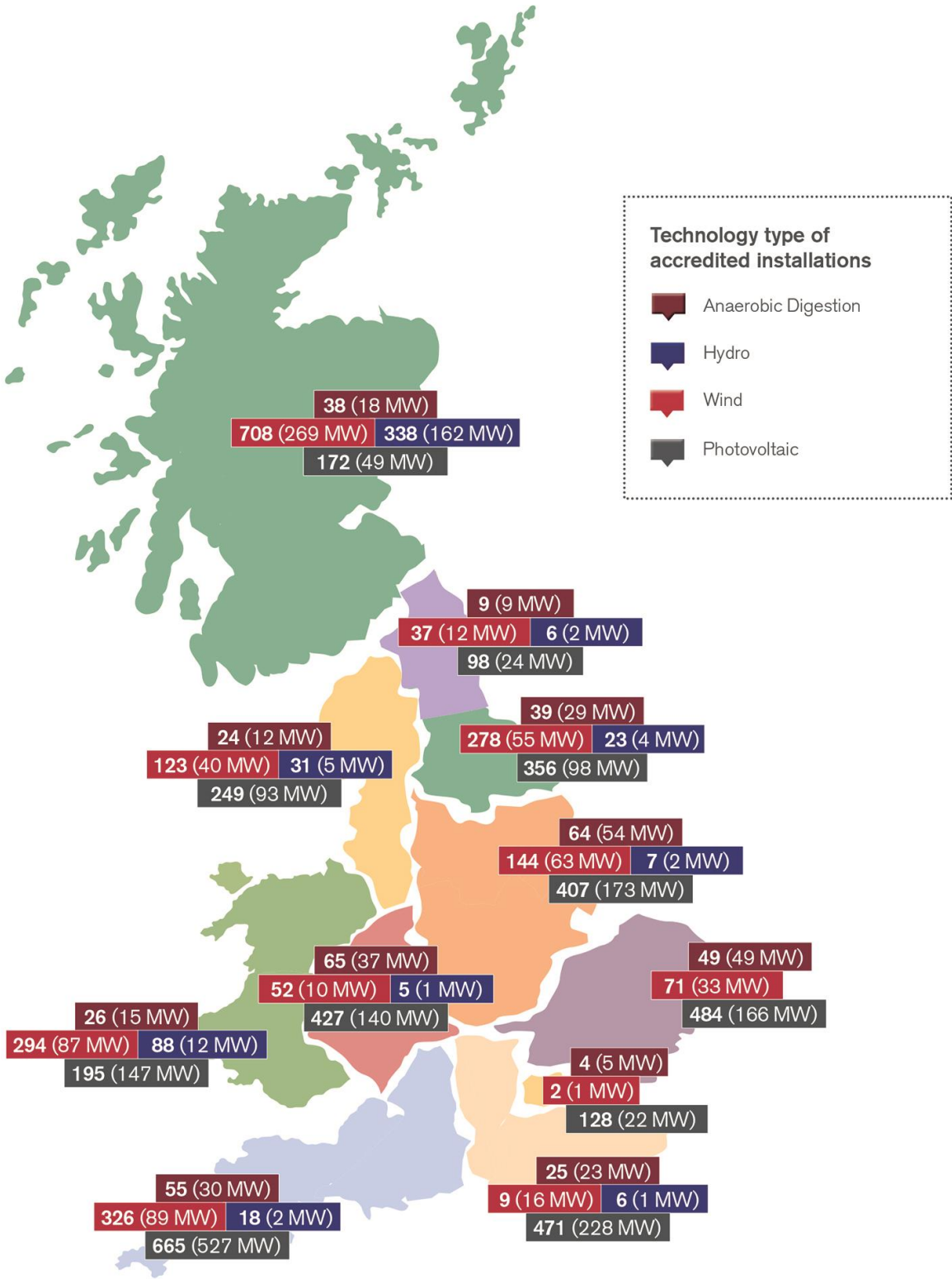


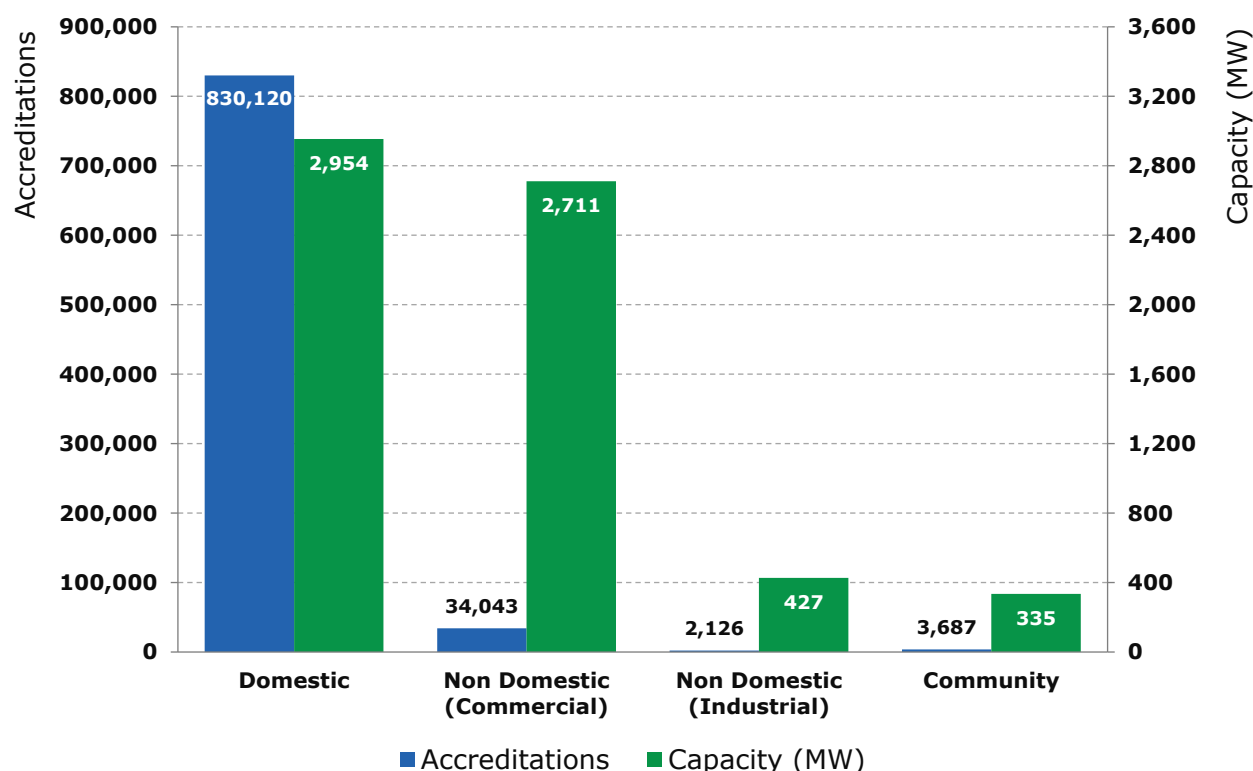
Figure 1.3 Distribution of FIT installations (and installed capacity) by technology type (Capacity >50kW)



Installation setting

1.8 Applicants are required to state the setting type where their installation is located during the application process. With exception of the 'Community'¹³ installation type, this choice is subjective but provides insight into the type of installations being registered under the scheme. As shown in **Figure 1.4**, domestic installations continue to account for the largest proportion of scheme accreditations (95.42%) and capacity (45.97%). As discussed previously the average size of domestic installations is expected to be smaller than for other installation types and this is clearly shown on the graph. Domestic installations are followed by Non Domestic (Commercial) installations with a slightly lower proportion of capacity (42.19%) and much lower share of accreditations (3.91%).

Figure 1.4 Total number and capacity of FIT accreditations by installation setting



¹³ The term 'Community' is defined in the FIT Order 2012 (as amended) Article 11.

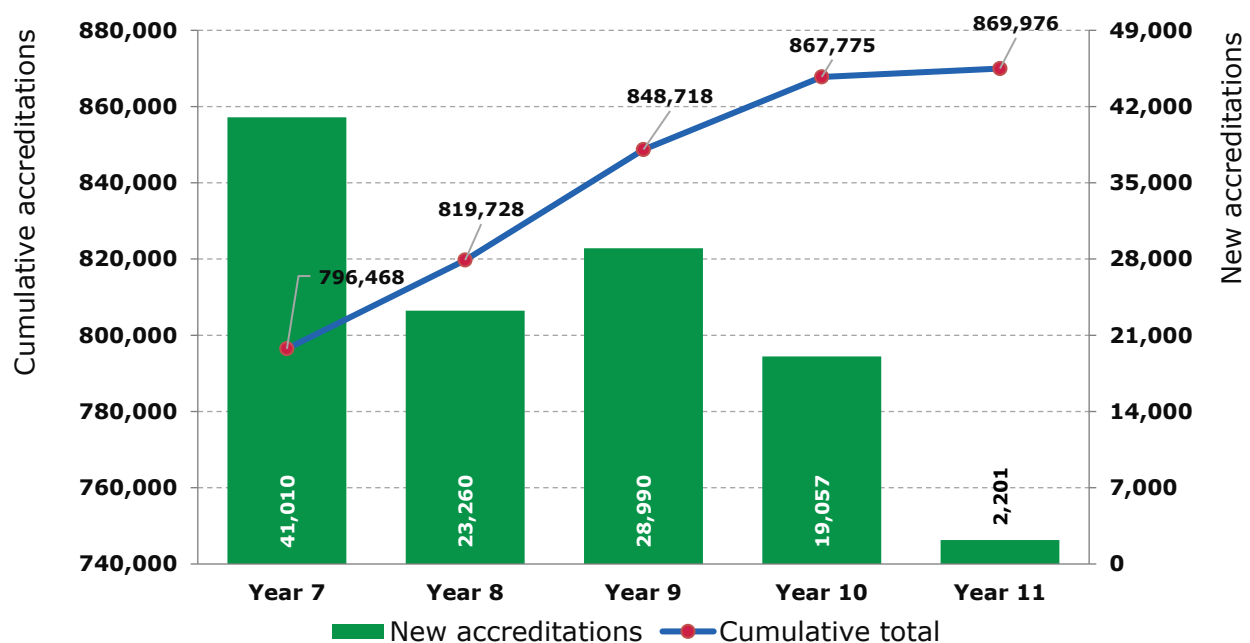
New registrations

1.9 Although the scheme closed to new applicants from 1 April 2019, installations could still be accredited and registered onto the CFR during FIT Year 11 where;

- They applied for preliminary accreditation on or before 31 March 2019 and their validity period had not lapsed,
- They are a community or school installation who applied for pre-registration on or before 31 March 2019 and whose validity period had not lapsed,
- They are a ROO-FIT installation with preliminary accreditation that ends on or after 31 March 2019 whose application has been delayed due to issues with grid or radar works beyond their control. These applicants can apply within a 12 month grace period after the end of their validity period.

1.10 It should be noted that in response to the unprecedented circumstances faced by prospective FIT generators in relation to COVID-19, the government amended the Feed-in Tariffs Order 2012¹⁴. The amendments collectively grant a 12 month extension to validity periods for all pre-registrations for community energy solar photovoltaic (PV) installations and all preliminary accreditations which originally expired on or after 1 March 2020.

Figure 1.5 New Installations accredited – FIT Year 7 to Year 11



¹⁴ [Link to Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020:](https://www.legislation.gov.uk/uksi/2020/375/made)
<https://www.legislation.gov.uk/uksi/2020/375/made>
 & [Link to Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No.2\) Order 2020:](https://www.legislation.gov.uk/uksi/2020/957/article/3/made)
<https://www.legislation.gov.uk/uksi/2020/957/article/3/made>

- 1.11 A total of 2,201 new accreditations were made in Year 11, bringing the cumulative total to just below 870,000.¹⁵ **Figure 1.5** shows the number of new accreditations, which given accreditations were limited to the exceptions described above, is much lower than in previous years. Accreditations in future years will be as pre-registered community and school applicants that applied by 31 March 2019 commission.

Installation eligibility periods

- 1.12 Some micro-CHP installations reached the end of their ten-year eligibility period (as set out in the standard licence conditions)¹⁶ during FIT Year 11. When installations reach the end of their eligibility period they are no longer classified as active installations and are not included in the figures reported in this chapter. In total, 141 micro-CHP installations with a combined capacity of 141.4kW became inactive during the year and will no longer be eligible for FIT payments. All other eligible technology types have a comparatively longer eligibility period; from 17 to 25 years. As such, we will see these technology types start to reach the end of their eligibility periods on the FIT scheme from 2027.

¹⁵ The number of new registrations in 2020-21 (2,201) is different from the increase in installations registered on the CFR (2,106) as there are other factors (such as installations reaching the end of their eligibility period) that influence the total number of active installations on the CFR.

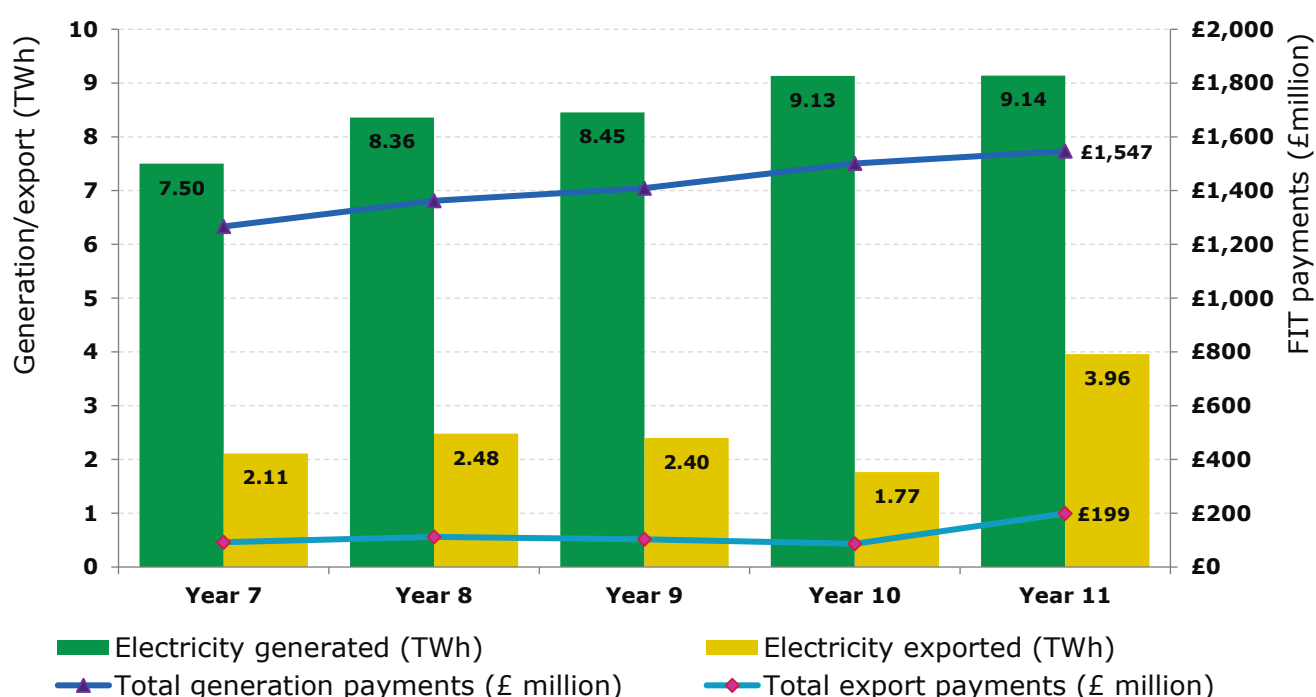
¹⁶ [Link to Electricity Act 1989: Standard conditions of electricity supply licence](https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf)
<https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf> see: Annex 1, page 338

2. FIT Scheme Costs

FIT Year 11 payment overview

- 2.1 The cost of the FIT scheme to licensed electricity suppliers – which is equal to the total levelisation fund – has increased since Year 10. The total levelisation fund for Year 11 was around £1.6 billion, an increase of £63 million on the previous year.
- 2.2 The total levelisation fund is determined by adding up the following costs of the scheme incurred by licensed electricity suppliers - generation payments, net export payments, and licensees' qualifying FIT (administration) costs.
- 2.3 As shown in **Figure 2.1** total generation payments made increased by nearly £45.9 million, from just over £1.5 billion in Year 10 to £1.55 billion in Year 11. This is due to a small increase in generation this year compared with last (rising from 9.13 TWh to 9.14 TWh), in conjunction with a greater number of installations on the scheme and an increase in tariff rates following the annual adjustment for inflation.

Figure 2.1 Electricity generated and exported and associated payments made



- 2.4 Electricity exported rose more significantly from around 1.8 TWh in Year 10 to almost 4 TWh in Year 11. This resulted in an increase in export payments from around £87 million in Year 10 to over £199 million in Year 11. This increase has been driven by a number of Generators moving from a negotiated export tariff to a metered tariff on the Scheme.

- 2.5 The export figure is made up of metered and deemed export. Metered Export is paid according to export meter readings. Deemed Export is paid according to a percentage of generation meter readings and is only an option where the Total Installed Capacity of the installation is 30 kW or less and no export meter is installed. This percentage is set annually by government (for Year 11 it was 75% for Hydro and 50% for all other technologies).¹⁷
- 2.6 **Table 2.1** shows how the generation and export payments are used in conjunction with the qualifying FIT costs to calculate the 'levelisation fund'. The levelisation fund plus Ofgem's administration costs equate to the 'total scheme cost'. We also calculate the 'value of the scheme', details of which can be found later in this chapter.

Table 2.1 Scheme cost calculations, Year 11

Cost	Total	Description
Generation payments (A)	£1,547,001,299	The total value of payments made to accredited generators for electricity generation
Net deemed and metered export payments (B)	£38,507,441	The difference between the cost of export payments made and the value of those exports to licensees See Table 2.2 for details
Qualifying FIT costs (C)	£17,499,645	The total administration costs allocated to FIT licensees. The administration costs are determined annually by the Secretary of State
<u>The levelisation fund (D)</u> (A + B + C)	£1,603,008,386	The cost of the scheme to licensed electricity suppliers in Year 11 is reached by adding up the above costs. It's then 'levelised' according to each licensee's share of the electricity supply market of GB.
Administrative costs (E)	£2,867,547	Ofgem's total administration costs. For more information, see paragraph 2.13. This cost is not included in levelisation and is paid for through general taxation.
<u>Total Scheme cost</u> (D + E)	£1,605,875,933	This is the total cost of the scheme in year 11 and is reached by adding Ofgem's administrative costs to the value of the levelisation fund.

¹⁷ [Link to Feed in Tariffs \(FITs\) determinations](https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations) <<https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations>>

2.7 The net value of exports, as shown in **Table 2.1**, is calculated to account for the difference between the export tariff paid by a licensee and the value of that electricity to the licensee. To determine the value of the export to licensees, the amount of electricity exported or deemed to have been exported is multiplied by the 'System Sell Price' (SSP)¹⁸. **Table 2.2** shows these calculations for FIT Year 11.

Table 2.2 Net export payment calculations, Year 11

	Deemed export	Metered export	Total
Export payments to FIT generators (A)	£60,262,747	£139,006,113	£199,268,860
Value to FIT Licensees (B)	£52,170,087	£108,591,332	£160,761,419
Net export payments (A - B)	£8,092,660	£30,414,781	£38,507,441

Levelisation

2.8 In a process called 'periodic levelisation', scheme costs are met every quarter by all licensed electricity suppliers based on their share of the electricity supply market of Great Britain (GB). Depending on how much a licensee has paid FIT generators for generation and export¹⁹, they either pay money into or receive money from the levelisation fund. After the end of each FIT year, the 'annual levelisation' process reconciles the year's periodic levelisations and ensures each FIT licensee has paid or received the right amount of money.

2.9 All active licensed electricity suppliers are required to participate in the levelisation process by:

- providing us with information to enable us to administer the process, and
- making levelisation payments as instructed by us.

¹⁸ [Link to System Sell Price and System Buy Price Breakdown](https://www.elexon.co.uk/knowledgebase/what-is-the-system-sell-price-and-the-system-buy-price) <<https://www.elexon.co.uk/knowledgebase/what-is-the-system-sell-price-and-the-system-buy-price>>

¹⁹ Only 'FIT licensees' are obliged to pay FIT generators. Licensed electricity suppliers with over 250,000 customers in GB are 'mandatory FIT licensees'. Those with fewer customers can choose to be 'voluntary FIT licensees'. All electricity supply licensees must contribute to levelisation.

2.10 Not all electricity supplied to customers within GB is counted for the purposes of determining a supplier's market share for levelisation. There are exemptions for electricity sourced from outside GB, and an exemption for a proportion of the electricity supplied to Energy Intensive Industries (EIIs)²⁰. **Table 2.3** shows, in terms of supply volume, how much of the electricity supply market of GB carries the costs of FIT scheme (Total Relevant Electricity Supplied).

Table 2.3 Relevant electricity supplied, Year 11

Supply Volume	Total (MWh)	Description
Total supply (A)	256,376,604	Total electricity supplied to customers within GB
Additional supply (B)	2,033,371	Additional supply to account for supplier who exited the market during the year
Exempt supply for Guarantees of Origin (GoOs) (C)	11,884,472	Total renewable electricity supplied to customers within GB from outside the UK and validated by Ofgem. For Year 11 this is capped at 11,884,472 MWh
Exempt supply for Energy Intensive Industries (EIIs) (D)	8,809,691	Total renewable electricity supplied to Energy Intensive Industries
<u>Total Relevant electricity supplied</u> (A + B) – (C + D)	237,715,812	The total amount of electricity supplied that is liable for the costs of the FIT scheme

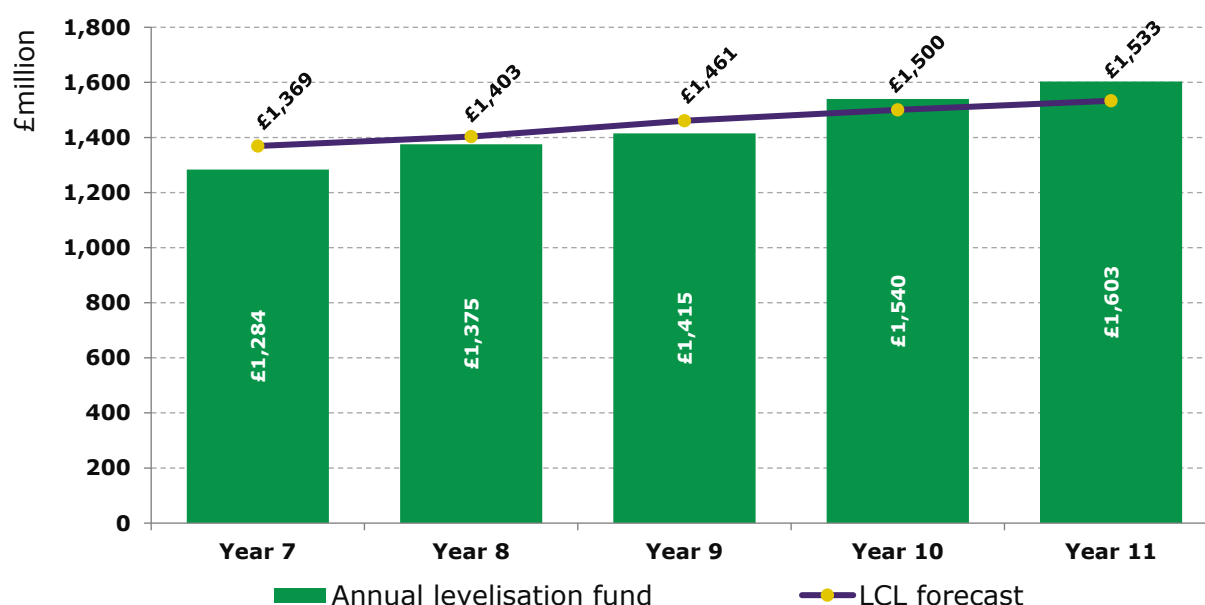
²⁰ [Link to information on exemptions for EIIs:](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942616/CFD_RO_FIT_Exemption_Guidance_Revised_December_2020.pdf)

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942616/CFD_RO_FIT_Exemption_Guidance_Revised_December_2020.pdf>

Cost controls

2.11 As part of government's commitment to keep energy costs as low as possible, the 'Control for low carbon levies'²¹ (the Control) monitors the costs of low carbon electricity schemes (including FIT) and provides a forecast of total FIT scheme costs. **Figure 2.2** shows the annual levelisation fund exceeded 'the Control' forecast for the FIT scheme in Year 11 by approximately £70 million. This is the second year in a row where 'the Control' forecast has been exceeded. The Control sets out that there will be no new low carbon electricity levies on energy bills until the burden of such costs is falling.

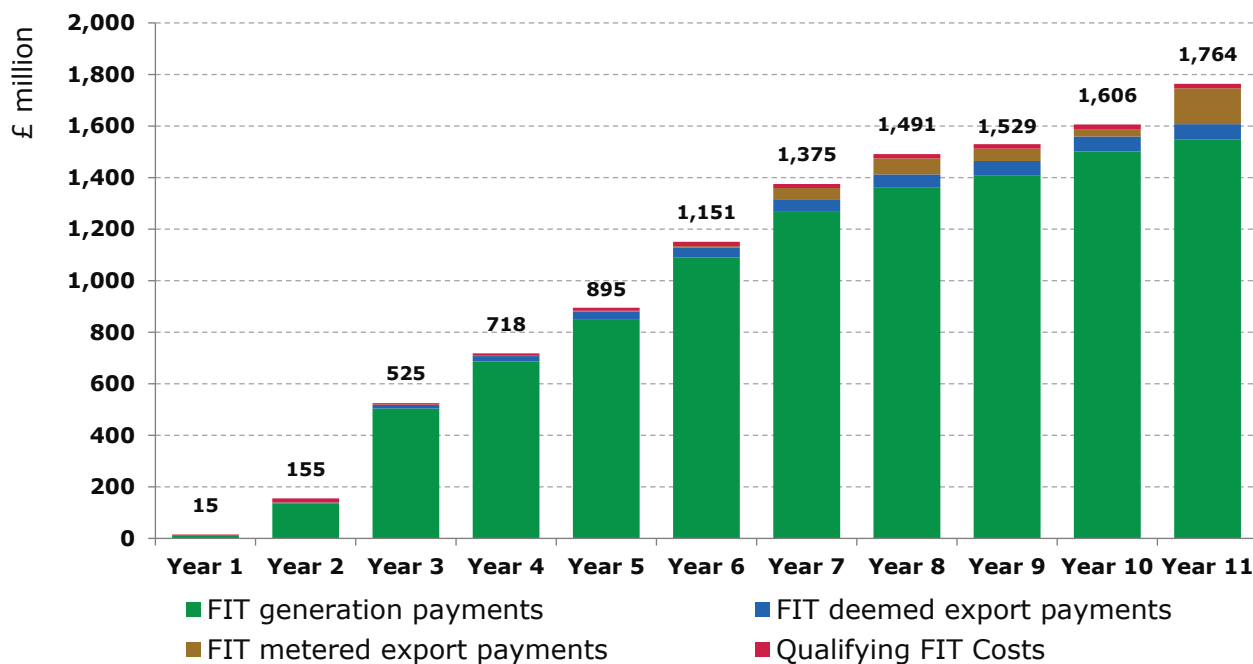
Figure 2.2 Levelisation Fund vs The Control Forecast – Years 7-11



Value of the FIT scheme

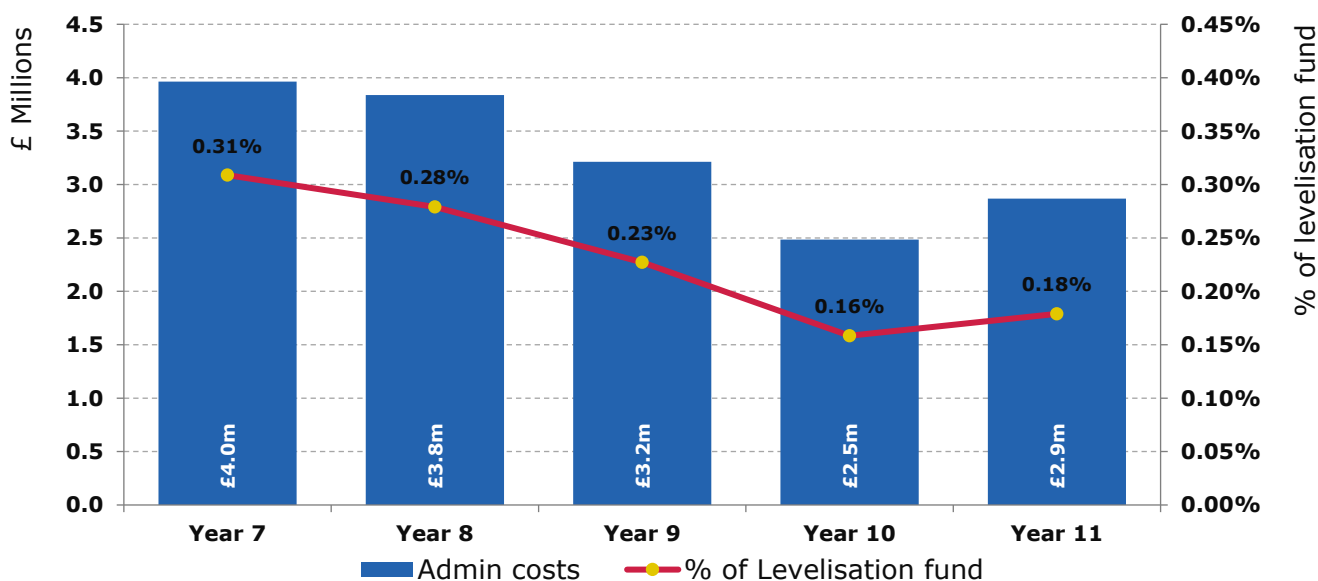
2.12 As well as the cost of the scheme to licenced electricity suppliers (the levelisation fund) and the total scheme cost which includes Ofgem's administration costs, we also provide details on the total value of the FIT scheme. The total value, as shown in **Figure 2.3**, is calculated by adding the total value of all generation and export payments to FIT licensees qualifying costs. In Year 11 the value of the scheme reached £1.76 billion, which is an increase of £159 million on the total from last year. A significant part of this increase is accounted for by an increase in metered export payments, which rose from £28 million in Year 10 to £139 million in Year 11.

²¹ 'The Control' refers to The Control Low Carbon Levies which replaced Levy Control Framework (LCF). For more information, see: [Link to Control for Low Carbon Levies Policy Paper](https://www.gov.uk/government/publications/control-for-low-carbon-levies) <<https://www.gov.uk/government/publications/control-for-low-carbon-levies>>

Figure 2.3 FIT scheme value, Years 1-11

Ofgem's administration costs

2.13 **Figure 2.4** shows that in Year 11 our administrative costs increased to just under £2.9 million, this is an increase of just over £380,000 from Year 10. Our administrative costs equate to 0.18% of the levelisation fund and are accounted for by our staffing costs and all the activities we undertake to ensure the successful operation of the scheme. For example, our audit and compliance activity, the processing of applications and amendments, automation work, and the maintenance and development of the CFR.

Figure 2.4 Administrative costs, Years 7-11

3. Compliance of Licensed Electricity Suppliers

FIT Year 11 non-compliance summary

- 3.1 As part of our role administering the FIT scheme, we ensure that electricity suppliers comply with their FIT scheme obligations. We monitor compliance across a number of key areas which are summarised here and covered in more detail below.
- 3.2 During Year 11, we continued to see instances of non-compliance related to periodic and annual levelisation. In total, 63 instances were recorded on the Supplier Performance Report (SPR)²² related to late submission of data, misreporting of data and late payments being made.
- 3.3 We have also seen the number of suppliers in the market, and hence participating in the FIT scheme, decrease during Year 11. Some suppliers exited the market during the year, leaving outstanding periodic and annual FIT levelisation payments.
- 3.4 The proportion of licensees able to provide Biennial Meter Reading Verifications (BMV) also fell in Year 11. Changes have been made to address the difficulties of acquiring meter readings due to COVID-19 restrictions, such as allowing generators to provide photographic evidence for verification.
- 3.5 The proportion of 'Good' audit ratings for licensees increased in Year 11, with a small number of licensees receiving no rating as they were taken over by other suppliers and their FIT processes were wound down.

FIT licensees and annual notifications

- 3.6 All licensed electricity suppliers are required to notify Ofgem by 14 February each year whether they will be a mandatory, voluntary or non-FIT licensee for the FIT year beginning on 1 April. A mandatory FIT licensee is any licensed electricity supplier with 250,000 or more domestic electricity customers on 31 December of the preceding year. Licensed electricity suppliers with less than 250,000 domestic customers may choose to become a voluntary FIT licensee.
- 3.7 All licensees complied with their obligation to notify us of their FIT status during 2020-21.

²² [Link to information on the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

Table 3.1 Number of FIT Licensees, Years 6-11

	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Voluntary FIT licensees	47(30)	36 (29)	39(32)	43 (34)	25 (25)	21 (21)
Mandatory FIT licensees	19(9)	19 (10)	24(13)	27 (19)	22 (19)	24 (16)
Total	66(39)	55 (39)	63(45)	70 (53)	47 (44)	45 (37)

Please note: The bracketed figures represent the number of supplier groups participating in the scheme. This number is usually lower as some supplier groups hold multiple licenses (each licence is a FIT licensee).

3.8 As seen in **Table 3.1** after several years of growth, the number of suppliers in the market – and in turn suppliers participating in the FIT scheme – has fallen over FIT Years 10 and 11. In Year 11 there were 37 supplier groups participating in the scheme.

Levelisation compliance

3.9 **Tables 3.2** and **3.3** show the numbers of licensees that provided either late or incorrect data submissions as part of the levelisation process during Year 11. Late submissions decreased from 29 incidents in Year 10 to 28 in Year 11, and incorrect submissions increased from 29 incidents in Year 10 to 45 in Year 11. This increase is due to a change in our reporting approach which highlights any amendments made that should have been identified by the Supplier.

Table 3.2 Number of late levelisation submissions, Year 11

	Q1	Q2	Q3	Q4	Annual
Voluntary FIT licensees	1	0	1	0	0
Mandatory FIT licensees	0	2	0	1	1
Non-FIT licensees	6	6	2	5	3
Totals	7	8	3	6	4

Table 3.3 Number of incorrect levelisation submissions, Year 11

	Q1	Q2	Q3	Q4	Annual
Voluntary FIT licensees	0	1	0	1	4
Mandatory FIT licensees	3	3	2	0	3
Non-FIT licensees	1	2	5	6	14
Totals	4	6	7	7	21

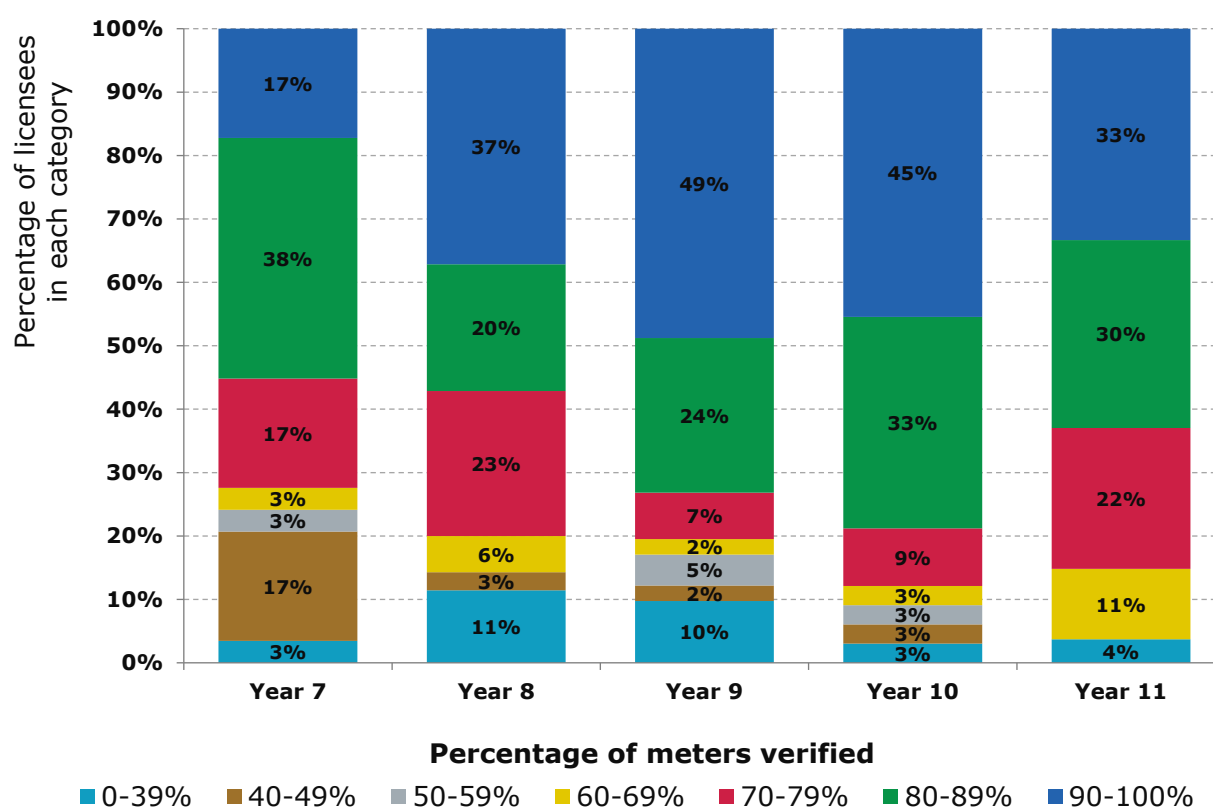
3.10 As Year 11 saw several suppliers exiting the market, the number of instances of unpaid levelisation payments by such suppliers has increased. In Year 11, every quarterly

levelisation round experienced a shortfall in the fund, however mutualisation²³ was not triggered as the shortfalls were less than the mutualisation threshold.

Biennial meter read verifications

- 3.11 In accordance with their licence conditions, licensees are required to take all reasonable steps to ensure the accuracy of FIT payments by verifying FIT meter readings at least once every two years. Ofgem monitors each supplier's biennial meter verification (BMV) performance weekly to ensure areas for improvement are identified and managed effectively. Where possible, we expect suppliers to aim for 100% of meters read within each two-year period.

Figure 3.1 Biennial meter verification - licensee performance, Years 7-11



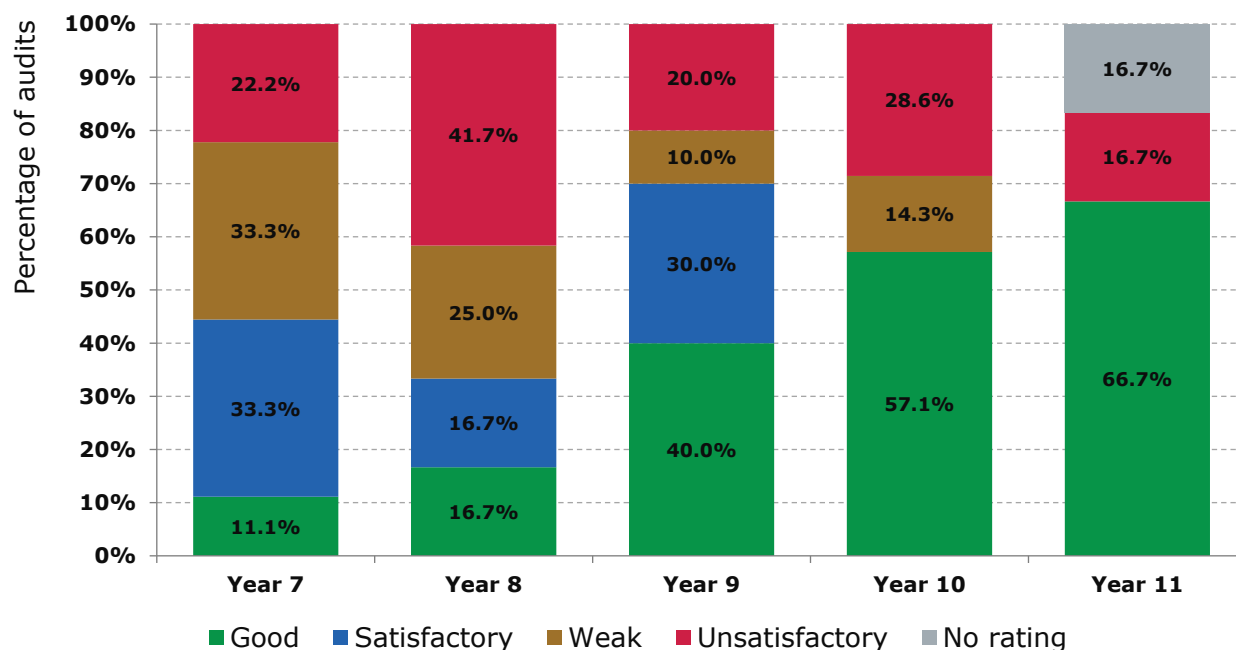
- 3.12 **Figure 3.1** shows the percentage of licensees in each percentage category of meters verified from Years seven to eleven. The total number of licensees continues to fall and the number of licensees managing to verify 90% of meters or more fell to 33%, down from 45% in Year 10 and a high of just under 49% in Year Nine. COVID-19 has played a significant factor in the decrease of biennial meter verifications as social distancing prevented meter readers from accessing some installation sites. Ofgem have since

²³ [Details on mutualisation can be found in our Guidance for licensed electricity suppliers:](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers)
[<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers)

changed the biennial meter verification process to allow for the verification of meters through photographs. We initially did this as part of our response to COVID-19 and then, following consultation, updated our guidance to instate photographic evidence as a permanent option for BMV. When necessary we work with poorly performing licensees and offer support to help increase rates of compliance.

FIT licensee audits

- 3.13 Twelve FIT licensees were audited during Year 11. These audits were carried out to ensure information submitted to Ofgem was accurate and that licensee processes were sufficiently robust. This helps to ensure that licensees can effectively fulfil their obligations under the scheme.
- 3.14 FIT licensees are selected each year upon a number of criteria. These include, but are not limited to:
- The size of the licensee's generator portfolio,
 - If the licensee is a new entrant to the scheme,
 - The length of time since their last audit,
 - Previous assurance ratings,
 - Any concerns arising in the previous compliance year.
- 3.15 Each audit is given a rating depending on the outcome of the audit based upon a risk assessment carried out by the auditor. The percentage of audits being given each rating for FIT Years Seven to 11 can be seen in **Figure 3.2** below.

Figure 3.2 FIT licensee audit scores, Years 7-11

- 3.16 Of the twelve audits conducted, eight (or 66.7%) received an assurance rating of 'Good', continuing the trend of an increasing proportion of 'Good' audit ratings achieved over the period shown. The remainder were 'Unsatisfactory' or received no rating.
- 3.17 The proportion of 'Weak' and 'Unsatisfactory' audits decreased from 43% in Year 10 to 16.7% in Year 11, with no 'Weak' audit ratings for 2020-21. The main reasons for audits with an assurance rating of 'Unsatisfactory' in FIT Year 11 were;
- Incorrect eligibility dates,
 - Incorrect initial meter readings,
 - No validation process for meter readings, and
 - Documents containing inaccurate information.
- 3.18 Two reports received 'no rating' for Year 11. This is because these suppliers were taken over by another supplier and their FIT supplier processes were wound down.
- 3.19 Following completion of each audit, the audit report is shared with the relevant FIT licensee. We use this opportunity to discuss the findings and highlight best practice in areas where they have fallen short. Our expectation is that the audit recommendations are implemented, and any concerns raised are resolved.

Enforcement

3.20 All licensees are required to comply with their licence conditions and statutory FIT obligations. Ofgem may take enforcement action in cases of non-compliance. Decisions on whether to take action and what enforcement action is appropriate are made on a case-by-case basis, in line with Ofgem's Enforcement Guidelines²⁴.

3.21 The enforcement powers available to us include imposing financial penalties, issue of formal regulatory orders to secure compliance (called Provisional Orders and Final Orders), as well as other alternative measures. Within FIT Year 11, Ofgem took the following enforcement action in respect of suppliers on the FIT scheme:

Issue of Provisional Orders to the following suppliers in respect of their failure to make their Year 11 Annual FIT Levelisation payments on time:

- Neon Reef (order revoked as supplier subsequently submitted its payment)
- Colorado Energy Limited (order revoked as supplier has since ceased trading)
- Symbio Energy Limited (order revoked as supplier has since ceased trading)
- Igloo Energy Supply Limited (order revoked as supplier has since ceased trading)
- Whoop (at the time of writing this order remains live as the supplier is still trading)

Issue of a financial penalty

3.22 A financial penalty of £100,000 was issued to Symbio Energy Limited on account of:

- Failure to submit its FIT Year 11 Quarter One and FIT Year 11 Quarter Two payments on time (both payments were made after the Q1/Q2 due dates),
- Failure to submit its 2020 Renewables Obligation (RO) payment on time (it made the payment 10 days late), and
- Failure to submit its 2020 RO and Renewables Obligation Scotland mutualisation payment on time (it made the payment over a month late).

²⁴ [Link to Ofgem's Enforcement Guidelines](https://www.ofgem.gov.uk/publications/enforcement-guidelines): <<https://www.ofgem.gov.uk/publications/enforcement-guidelines>>

4. Compliance of FIT Generators

FIT generator audits

4.1 In Year 11 we audited 88 ROO-FIT generating stations. The purpose of these audits is to identify and deter potential non-compliance with scheme requirements. Similar to previous years, all 88 audits were targeted based on known areas of risk. These audits were conducted to determine the accuracy of information submitted throughout the application process and verify the submissions from which payments are calculated.

4.2 Each audit received a rating based on the findings. For example;

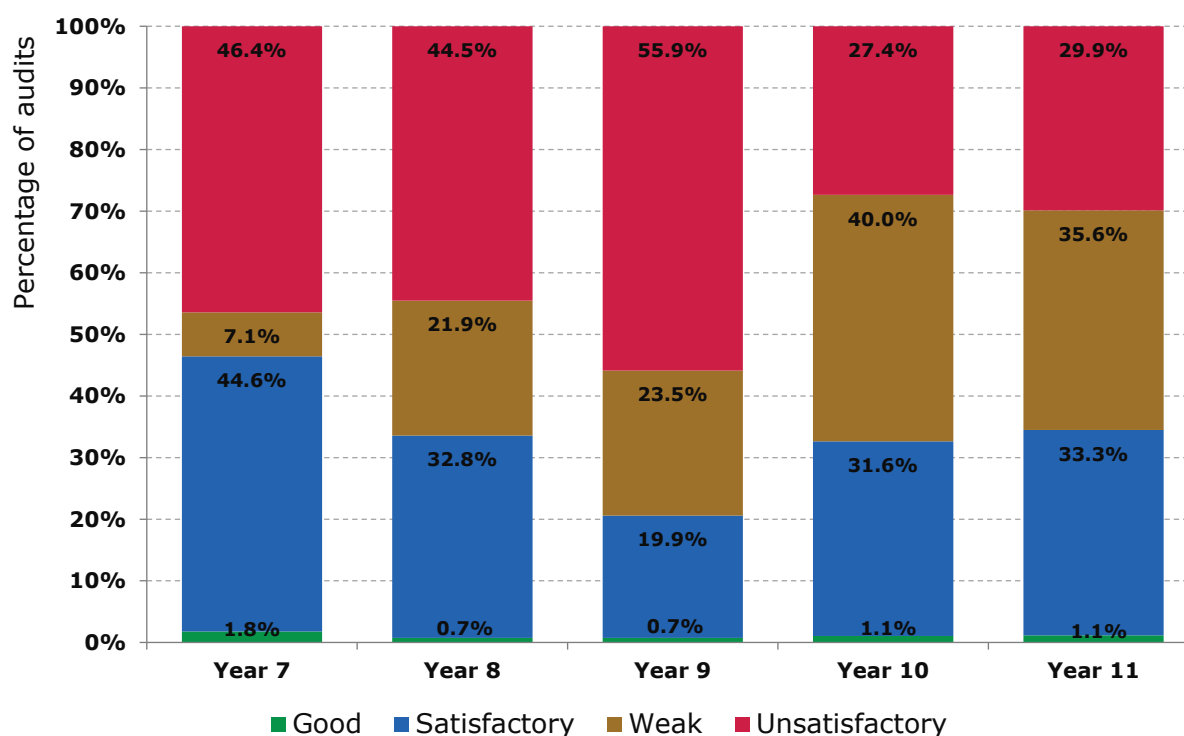
'Unsatisfactory' audits identified major issues of non-compliance with a significant financial impact or identified stations incorrectly accredited onto the scheme,

'Weak' audits found moderate issues of non-compliance, problems with a financial impact or eligibility,

'Satisfactory' audits showed minor issues of non-compliance, low financial impacts or found areas of poor practice, and

'Good' audits identified no issues impacting on scheme participation.

Figure 4.1 FIT Generator audit scores, Years 7-11



- 4.3 **Figure 4.1** shows the percentage of audits receiving each rating between FIT Years seven and eleven. One generator audit was assigned a rating of “Good” in Year 11. Twenty-nine stations were assigned a rating of ‘Satisfactory’. The remaining 57 stations (65%) were rated either ‘Weak’ or ‘Unsatisfactory’. A high proportion of ‘Weak’ and ‘Unsatisfactory’ assurance ratings was expected as all 88 audits were targeted in scheme risk areas. We would not expect this to be representative of compliance across the accredited population.
- 4.4 Findings recorded in the audit reports demonstrated some common themes. These are summarised below:
- incorrect information included on accreditation applications,
 - incorrect commissioning dates, and
 - insufficient evidence being provided to confirm the Total Installed Capacity (TIC), Declared Net Capacity (DNC), commissioning date and/or evidence to validate FIT payments.
- 4.5 We work closely with generators once audit reports are completed to ensure issues relating to poor practice are resolved, and we investigate any potential instances of non-compliance or fraudulent activity. Non-compliance can lead to Ofgem withdrawing accreditation, amending tariffs or withholding/recouping FIT payments. Where fraud is suspected we will investigate and if appropriate, engage with the relevant law enforcement agencies. Further detail on the investigations we conduct into potential cases of non-compliance or fraud are detailed below.

Participant compliance

- 4.6 When issues are detected through our audit programme and BMV work that may result in actions affecting an installation’s FIT accreditation or FIT payments, the case is referred for Participant Compliance assessment. We assess the compliance of generating stations against FIT legislation to determine if compliance action is required. These actions are outlined in articles 17 and 35 of the FIT Order 2012 (as amended)²⁵. Where appropriate, in order prevent payments being made incorrectly, we may decide to suspend FIT Payments before a compliance decision has been finalised.
- 4.7 In Year 11, a total of 12 new investigations were opened, an increase from the eight investigations opened in Year 10, but an overall decrease from the 75 cases opened in Year Nine. Of the 75 cases opened in Year Nine we are continuing to investigate 39.

²⁵ [Link to FIT Order 2012 \(as amended\)](https://www.legislation.gov.uk/uksi/2012/2782/contents/made): <<https://www.legislation.gov.uk/uksi/2012/2782/contents/made>>

These cases are associated with high-risk areas of the scheme, we expect these investigations to take a considerable amount of time before they can be closed.

4.8 Of the 25 investigations we closed in 2020-21, seven resulted in compliance action:

- One investigation resulted in the withdrawal of an installation's FIT accreditation as the information we were originally provided was incorrect in a material particular. The materially incorrect information related to the installation's commissioning date. We instructed the FIT Licensee to recover all FIT payments already made and no further payments were to be made to the FIT installation. The value of this compliance decision was £416,921 prevented error over the lifetime support period, and a total of £8,142 detected error which was recouped by the FIT Licensee.²⁶
- Four of the investigations resulted in a change of tariff as the information we were originally provided was incorrect. The materially incorrect information related to installations' commissioning dates. The value of the compliance decisions was approximately £694,000 prevented error over the lifetime support period. We also instructed the Licensees to withhold FIT Payments worth approximately £154,000 from two installations until overpayments have been recouped. Two of the investigations resulted in a change of tariff prior to accreditation and as a result the installations had not received any overpayments.
- Two of the investigations resulted in a reduction of FIT Payments to address overclaims on the basis that the installations had received payments they were not entitled to. We instructed the licensees to reduce future FIT payments until the overclaimed amount had been recouped. The total value of the FIT payments to be reduced is approximately £6,000.

4.9 All of the installations that were the subject of compliance action in Year 11 were solar PV installations. We expect that solar PV installations will continue to make up the majority of our investigations as they are the most common technology type accredited under the FITs scheme.

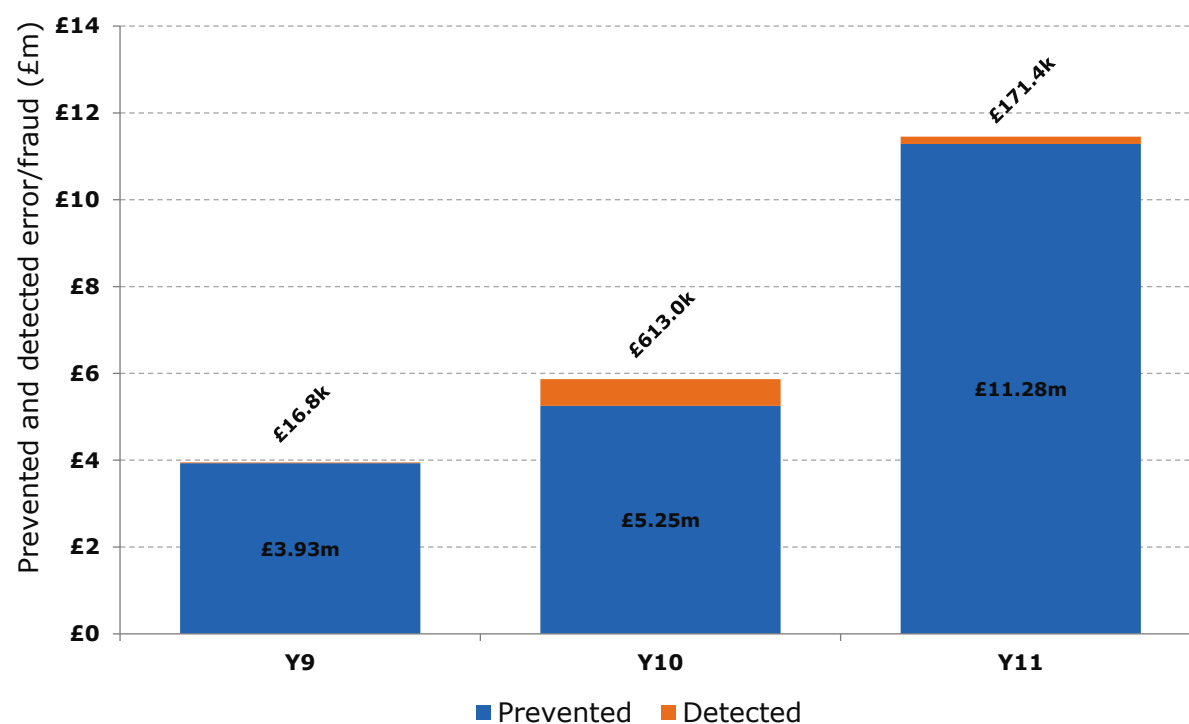
²⁶ For more information on prevented and detected error please refer to the section on safeguarding public funds.

Counter Fraud

- 4.10 During 2020-21, we received 29 referrals for suspected fraud on the FIT scheme which is a significant drop on the 93 referrals received in Year 10. The reduction can be attributed to the closure of the scheme to new applicants.
- 4.11 The 29 referrals represented more than 100 sites. Of these, 15 referrals came from FIT Licensees or other external parties, and 14 were made internally where suspicions were raised following an audit, or during the course of our other operational work. Two suspected fraud cases were opened as a result of these referrals, one is ongoing whilst the other was closed with no action taken.
- 4.12 In order to help with the continued effective management of fraud risk, we met with FIT licensees virtually during 2020-21 to discuss fraud prevention strategies and future fraud risks.

Safeguarding Public Funds

- 4.13 As part of our commitment to safeguarding public funds and ensuring value for money in administering the FIT scheme, we have a robust system of detection and prevention of error and suspected fraud.
- 4.14 In the context of this report, 'error' is defined as the difference between what an installation could or have received in incentive payments, and what they are eligible to receive.
- 4.15 We classify error and suspected fraud as either being prevented or detected. A prevented issue refers to any money which we have prevented from being paid out because of our work. A detected issue relates to any payment which has been made to a participant for which they were not eligible.
- 4.16 **Figure 4.2** shows that our work in this area has resulted in almost £11.5 million being identified during Year 11. Of this we prevented £11.3m being paid out incorrectly and we detected a further £171,396 that was paid to participants who were not eligible to receive it. The sum of £11.5m is significantly larger than the £5.8m identified during FIT Y10. This was mainly due to a number of application refusals, where applicants did not meet the requirements of the scheme. Where FIT payments are made incorrectly, we work with FIT licensees to ensure that this money is recouped.

Figure 4.2 Prevented/detected error and suspected fraud, Years 9-11

5. Our Administration

- 5.1 As administrators of the FIT scheme Ofgem performs a number of functions including;
- Processing applications for large wind and solar PV installations, and all AD and hydro installations.
 - Processing applications from community and school applicants
 - Running the Central FIT Register (CFR) - the database of all accredited installations.
 - Managing the Levelisation process
 - Ensuring suppliers and participants comply with the FIT scheme requirements.
- 5.2 For transparency we publish some performance measurements on our website²⁷ and below we give more detailed information elaborating on some of the work we have done administering the scheme during FIT Year 11.

Application processing (ROO-FIT)

Table 5.1 Summary of application processing, Year 11

CTF Applications Received	Amendments Received	Applications Processed	Applications Refused	Value of Refused Applications	Applications Cancelled or Withdrawn
49	163	710	16	£5,075,105	251

- 5.3 We received 49 convert-to-full (CTF) applications in Year 11, down from 118 in FIT Year 10. Many of the preliminary applications (submitted prior to 1 April 2019 in the run up to scheme closure) were solar PV which have a shorter time to commission (usually six months) and submit a CTF application.
- 5.4 It should also be noted that applications with longer validity periods which were due to expire during March 2020 or later, were given the coronavirus extension. Despite this many CTF applications for solar PV would have been submitted during FIT Year 10 and less expected for FIT Year 11. Many of the remaining preliminary application validity periods will expire after FIT Year 11.
- 5.5 A total of 16 applications worth £5,075,105 were refused during Year 11, slightly higher than the 10 refused in Year 10. In each case the applications were refused as they did not meet the requirements of the scheme.

²⁷ [Link to scheme performance indicators](https://www.ofgem.gov.uk/environmental-and-social-schemes): <<https://www.ofgem.gov.uk/environmental-and-social-schemes>>

Communities and Schools

- 5.5 We are responsible for assessing community and school applicants to confirm they meet the definition of a community or school. The pre-registration process confirms the eligibility of installations required to apply via the MCS-FIT pathway. The status verification process confirms the eligibility of ROO-FIT applicants.
- 5.6 Community and school installations that applied for pre-registration on or before 31 March 2019 could use the standard validity period in which to apply. However, it should be noted that installations with a validity period expiring on or after 1 March 2020 were granted a 12-month extension due to the impact of COVID-19.
- 5.7 We continue to assess ROO-FIT applications for community status (status verification) for organisations who submitted ROO-FIT applications before scheme closure in 2019. We also assess eligibility where there has been a change of ownership ahead of commissioning.

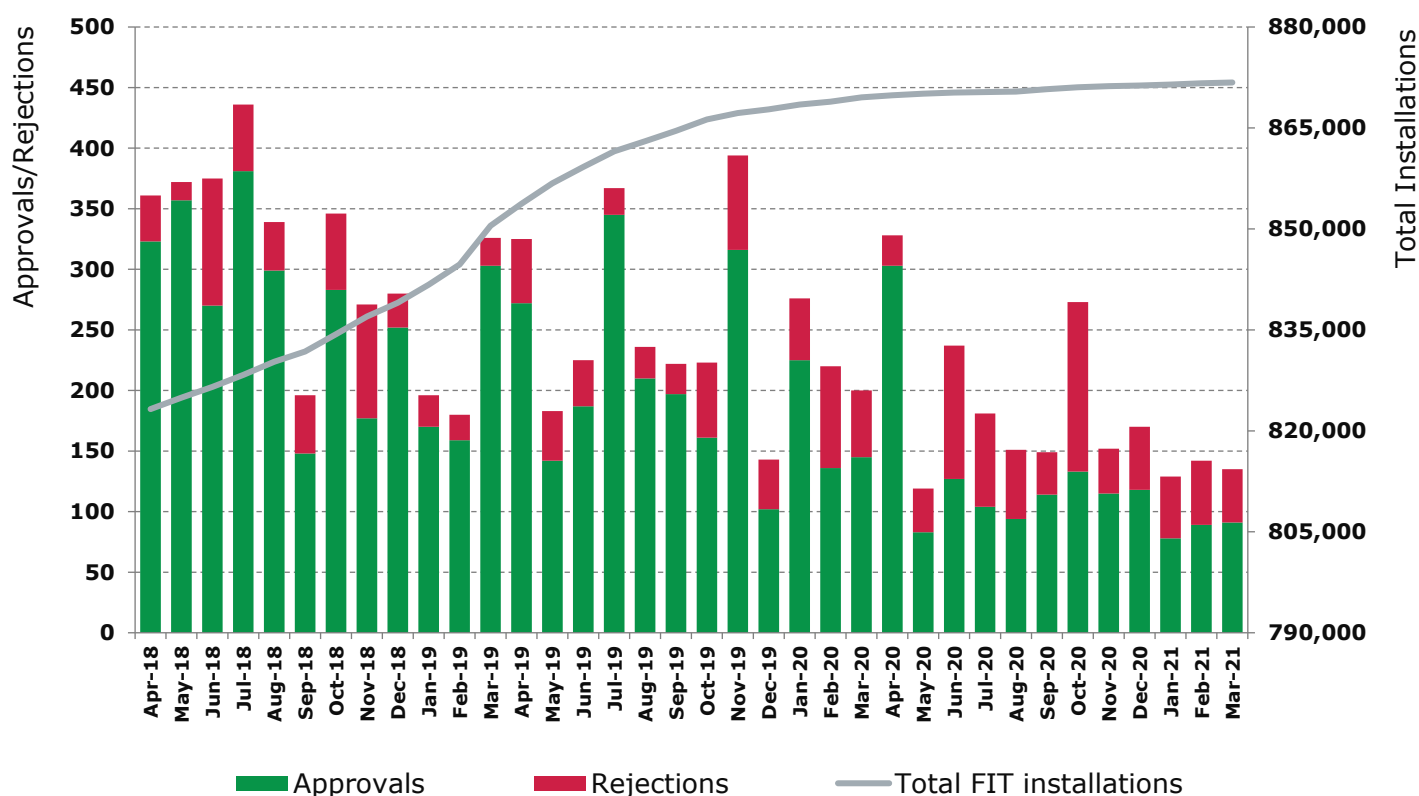
Central FIT Register (CFR)

- 5.7 From time to time it is necessary for Licensees to make changes to the installations already registered on the CFR. For example, this could be to update the details for an installation after a change of ownership, or to correct details that have been incorrectly recorded.
- 5.8 Licensees make changes to installations on the database themselves via the CFR taskbar. Most of these changes do not require approval but where a change may impact eligibility or tariff rates, we review the request before making a decision on whether it can be approved.
- 5.9 As shown in **Figure 5.1**, we track the number of approved and rejected change requests. In some cases, where we find a supplier has failed to fulfil their obligations under the scheme, an incident is added to the Supplier Performance Report (SPR)²⁸. The reasons change requests may be added to the SPR are outlined below:
- The change request was required to correct the data held on the CFR due to a FIT Licensee previously submitting incorrect information.
 - The request was rejected by Ofgem due to incorrect information on the change request submitted by the FIT Licensee.

²⁸ [Link to information on the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

- The request was rejected by Ofgem due to the FIT Licensee not following the correct submission process.

Figure 5.1 Monthly CFR taskbar approvals/rejections vs total installations



5.10 **Table 5.2** shows that throughout FIT Year 11, we processed a total of 2,166 change requests on the CFR, of which 1,449 (69.21%) were approved. Of the approved requests, 33.3% were needed to correct data that had been incorrectly entered into the CFR. These incidents were subsequently added to the SPR. The remaining 66.7% of approvals were required due to natural changes to the installation details and as such were not included in the SPR. During this period, we rejected 717 of the change requests which were submitted, 125 (17.43%) of these rejected requests were added to the SPR.

Table 5.2 Taskbar approvals and rejections FIT Year 9-11

	Year 9	Year 10	Year 11
SPR Approvals	1,285	1,182	482
Non-SPR Approvals	1,837	1,256	967
Approved Total	3,122	2,438	1,449
SPR Rejections	181	146	125
Non-SPR Rejections	375	430	592
Rejections Total	556	576	717
Total Processed	3,678	3,014	2,166

Enquiries

5.11 Ofgem receives many enquiries relating to the FIT scheme. Many of these relate to the ROO-FIT accreditation process or community and school applications. We also receive enquiries related to ongoing participant compliance and more general queries regarding the scheme itself. As seen in **Table 5.3**, 579 telephone calls and 1,487 email enquiries were received in Year 11.

Table 5.3 Number of FIT Enquiries by Type, Year 11

	KPI	Received	Answered	Performance
Telephone enquiries	85% of calls answered/no more than 15% abandoned	579	562	97.1%
Email enquiries	80% of email enquiries responded to within 10 working days	1,487	1,478	99.4%

5.12 We comfortably exceeded our performance targets for enquiries in Year 11, with 97.06% of telephone enquiries answered, and 99.39% of email enquiries receiving a response within 10 working days.

5.13 As part of our response to COVID-19 and the transition to our staff working from home, we reduced our phone line availability to two hours per day in March 2020. This increased to three hours in May, and then six hours in November. These changes led to an increase in email enquiries as a more accessible means of contact for participants.

6. Changes to the Scheme

Amendments to the Feed-in Tariffs Order

- 6.1 In response to the unprecedented circumstances faced by prospective FIT generators, the government amended the Feed-in Tariffs Order 2012 in Year 10, with a further amendment being made in Year 11. The *Feed-in Tariffs (Amendment) (Coronavirus) Order 2020*²⁹ and the *Feed-in Tariffs (Amendment) (Coronavirus) (No.2) Order 2020*³⁰ collectively granted a 12-month extension to validity periods for all pre-registrations for community energy solar photovoltaic (PV) installations and all preliminary accreditations which originally expired on or after 1 March 2020.

Use of photographic evidence for meter reading verifications

- 6.2 As part of our response to COVID-19 we allowed licensees to temporarily use photographic evidence in place of site visits for their Biennial Meter Readings (BMVs) to minimise disruption to FIT licensees from fulfilling their obligations and to ensure that FIT generators continued to receive FIT payments to which they were entitled.
- 6.3 Following consultation³¹, changes were introduced on 31 August 2021 to permanently allow the use of generator-submitted photographic evidence as part of the biennial meter verification process, replacing the temporary allowance that was issued due to the COVID-19 pandemic. This means that licensees do not need to visit sites and physically inspect meters to fulfil their duty to verify generation and export readings.

Replacement generating equipment

- 6.4 We have seen increasing numbers of queries from FIT generators and industry stakeholders seeking clarity on how certain changes, repairs or replacement of generating equipment at accredited FIT installations may affect accreditation. As the average age of accredited FIT installations increases, so does the likelihood that generating equipment needs to be replaced.

²⁹ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020](https://www.legislation.gov.uk/uksi/2020/375/made):
<<https://www.legislation.gov.uk/uksi/2020/375/made>>

³⁰ Link to [Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No.2\) Order 2020](https://www.legislation.gov.uk/uksi/2020/957/article/3/made):
<<https://www.legislation.gov.uk/uksi/2020/957/article/3/made>>

³¹ [Link to Feed-in Tariff \(FIT\) scheme: Consultation on the use of photographic evidence for biennial meter verification](https://www.ofgem.gov.uk/publications/feed-tariff-fit-scheme-consultation-use-photographic-evidence-biennial-meter-verification)
<<https://www.ofgem.gov.uk/publications/feed-tariff-fit-scheme-consultation-use-photographic-evidence-biennial-meter-verification>>

6.5 On 7 August 2021 our consultation³² on replacement generating equipment closed and we published our decision³³ and changes to the guidance text on 13 December 2021.

Annual Determinations

6.6 The Department for Business, Energy and Industrial Strategy (BEIS) make determinations every year so that we can administer the scheme.³⁴ These are:

- the percentage of electricity from each technology deemed to be exported
- how they recompense licensees' administrative costs (Qualifying Costs)
- the collar and cap range for mutualisation payments.

³² [Link to Consultation on FIT replacement generating equipment](https://www.ofgem.gov.uk/publications/consultation-fit-replacement-generating-equipment)

<<https://www.ofgem.gov.uk/publications/consultation-fit-replacement-generating-equipment>>

³³ [Link to Feed-in Tariffs \(FIT\) Decision on replacement generating equipment](https://www.ofgem.gov.uk/publications/feed-tariffs-fit-decision-replacement-generating-equipment)

<<https://www.ofgem.gov.uk/publications/feed-tariffs-fit-decision-replacement-generating-equipment>>

³⁴ [Link to Feed in Tariffs \(FITs\) determinations](https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations) <<https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations>>

Appendices

Appendix 1: Mandatory and Voluntary Licensees

Table A1.1 Mandatory FIT licensees and their associated electricity supply licences

Supplier Group	Electricity Supply Licence
Avro Energy Limited	Avro Energy Limited
British Gas Trading	British Gas Trading
Bulb Energy Ltd	Bulb Energy Ltd
E.ON Energy Solutions Limited	E.ON Energy Solutions Ltd
	E.ON Next Energy Limited
	E.ON UK plc
EDF Energy Customers Ltd	EDF Energy Customers Ltd
Edgware Energy Limited	Edgware Energy Limited
Electricity Plus Supply Ltd	Electricity Plus Supply Ltd
Green Network Energy Ltd	Green Network Energy Ltd
Hudson Energy Supply UK Limited	Hudson Energy Supply UK Limited
Npower Ltd	Npower Direct Limited
	Npower Ltd - GB
	Npower Northern Limited
	Npower Yorkshire Limited
Octopus Energy Limited	Octopus Energy Limited
	Affect Energy Limited
Ovo Electricity Ltd	Ovo Electricity Ltd
ScottishPower Energy Retail Ltd	ScottishPower Energy Retail Ltd
Shell Energy Retail Ltd	Shell Energy Retail Ltd
	Shell Energy UK
SSE Energy Supply Ltd	SSE Electricity Limited
	SSE Energy Supply Ltd
Utilita Electricity Ltd	Utilita Electricity Ltd

Table A1.2 Voluntary FIT licensees and their associated electricity supply licences

Supplier Group	Electricity Supply Licence
Arto.Energy Limited	Arto.Energy Limited
Bristol Energy Limited	Bristol Energy Limited
Coulomb Energy Supply Limited	Coulomb Energy Supply Limited
ENGIE Power Limited	ENGIE Power Limited
F & S Energy Limited	F & S Energy Limited
Foxglove Energy Supply Limited	Foxglove Energy Supply Limited
Good Energy Ltd	Good Energy Ltd
Green Energy Limited	Green Energy Limited
Haven Power Limited	Haven Power Limited
I Supply Energy	I Supply Energy
Igloo Energy Supply Limited	Igloo Energy Supply Limited
Limejump Energy Limited	Limejump Energy Limited
Opus Energy (Corporate) Limited	Opus Energy (Corporate) Limited
Opus Energy Ltd	Opus Energy Ltd
Power4All Limited	Power4All Limited
Robin Hood Energy Supply Ltd	Robin Hood Energy Supply Ltd
Symbio Energy LTD	Symbio Energy LTD
Tonik Energy Limited	Tonik Energy Limited
Total Gas & Power UK	Total Gas & Power UK
Valda Energy Limited	Valda Energy Limited
Zebra Power Limited	Zebra Power Limited

Appendix 2: Total Annual Generation and Export Payments

Table A2.1 Total export and generation payments made by FIT licensees in Year 11

Licensee	Total generation payments made	Total export payments made	Total payments
Affect Energy Limited	£0.00	£0.00	£0.00
Arto.Energy Limited	£8,689,659.63	£1,565,019.39	£10,254,679.02
Avro Energy Limited	£45,496.15	£8,640.24	£54,136.39
British Gas Trading	£147,892,008.00	£15,847,876.00	£163,739,884.00
Bulb Energy Ltd	£807,287.58	£231,632.20	£1,038,919.78
Co-operative Energy Ltd	£0.00	£0.00	£0.00
Coulomb Energy Supply Limited	£0.00	£0.00	£0.00
Donnington Energy Limited	£0.00	£0.00	£0.00
E.ON Energy Solutions Ltd	£132,088,454.09	£9,516,720.47	£141,605,174.56
E.ON Next Energy Limited	£682.43	£37.67	£720.10
E.ON UK plc	£0.00	£0.00	£0.00
ECOTRICITY LIMITED	£73,786,920.94	£7,660,162.70	£81,447,083.64
EDF Energy Customers Ltd	£185,924,466.66	£31,521,101.09	£217,445,567.75
Edgware Energy Limited	£0.00	£0.00	£0.00
Electricity Plus Supply Ltd	£11,491,319.59	£1,021,646.67	£12,512,966.26
ENGIE Power Limited	£19,648,219.46	£1,281,990.52	£20,930,209.98
F & S Energy Limited	£28,744,054.81	£5,242,741.03	£33,986,795.84
Farmoor Energy Limited	£0.00	£0.00	£0.00
Flow Energy Ltd	£0.00	£0.00	£0.00
Good Energy Ltd	£215,500,218.35	£24,982,566.05	£240,482,784.40

Licensee	Total generation payments made	Total export payments made	Total payments
Green Energy Limited	£4,422,221.88	£299,727.57	£4,721,949.45
Haven Power Limited	£958,686.30	£227,302.03	£1,185,988.33
Igloo Energy Supply Limited	£40,895.67	£9,555.17	£50,450.84
Limejump Energy Limited	£17,822,935.83	£5,135,470.66	£22,958,406.49
Npower Ltd - GB	£133,686,887.13	£27,961,413.00	£161,648,300.13
Npower Northern Limited	£121,599,058.59	£20,165,476.05	£141,764,534.64
Npower Yorkshire Limited	£3,138,553.54	£232,866.59	£3,371,420.13
Octopus Energy Limited	£7,161,056.54	£1,384,238.54	£8,545,295.08
Opus Energy (Corporate) Limited	£0.00	£0.00	£0.00
Opus Energy Ltd	£135,066,006.07	£20,226,223.28	£155,292,229.35
Ovo Electricity Ltd	£3,294,739.57	£662,164.63	£3,956,904.20
Power4All Limited	£286,194.99	£0.00	£286,194.99
ScottishPower Energy Retail Ltd	£67,005,843.04	£5,769,119.50	£72,774,962.54
Shell Energy Retail Ltd	£6,717,135.82	£1,033,044.75	£7,750,180.57
Shell Energy UK	£20,619.16	£10,193.78	£30,812.94
SSE Electricity Limited	£166,786,927.62	£16,089,071.94	£182,875,999.56
Symbio Energy LTD	£27,635.64	£6,560.39	£34,196.03
Total Gas & Power UK	£54,162,629.13	£1,145,187.07	£55,307,816.20
Utilita Electricity Ltd	£50,928.94	£14,843.19	£65,772.13
Valda Energy Limited	£133,555.99	£16,267.83	£149,823.82
Zebra Power Limited	£0.00	£0.00	£0.00

Appendix 3: Non-compliance by suppliers

Table A3.1 Late (quarterly/annual) levelisation data submissions per supplier

License	Period
Euston	Q1
F & S Energy Limited	Q1
Farringdon Energy Limited	Q1
HARTREE PARTNERS SUPPLY (UK) LIMITED	Q1
Home Energy Trading Ltd	Q1
P3P Energy Supply Limited	Q1
Simply Your Energy Limited	Q1
Co-operative Energy Ltd	Q2
E.ON Next Energy Limited	Q2
Farringdon Energy Limited	Q2
Flow Energy Ltd	Q2
Home Energy Trading Ltd	Q2
Simply Your Energy Limited	Q2
Tillicum Energy Limited	Q2
Whoop Energy Ltd.	Q2
Home Energy Trading Ltd	Q3
Robin Hood Energy Supply Ltd	Q3
Vattenfall Energy Trading GmbH	Q3
Brook Green Trading Limited	Q4
Co-operative Energy Ltd	Q4
D-Energi Trading Ltd	Q4
Home Energy Trading Ltd	Q4
MONEYPLUS ENERGY LIMITED	Q4
Vattenfall Energy Trading GmbH	Q4
Electricity Supply Licence	Annual
Flow Energy Ltd	Annual
Home Energy Trading Ltd	Annual
Nabuh Energy Limited	Annual

Table A3.2 Incorrect (quarterly/annual) levelisation data submissions per supplier³⁵

License	Period
Flow Energy Limited	Q1
SSE Energy Supply Ltd	Q1
Utilita Energy	Q1 (x2)
ALABAMA ENERGY	Q2
Affect Energy Limited	Q2
Octopus Energy Limited	Q2
MISSISSIPPI ENERGY	Q2
Npower	Q2 (x2)
E.ON Energy	Q3
Orsted Power Sales (UK) Ltd	Q3 (x2)
Shell Energy	Q3
Dual Energy	Q3
Edgware	Q3
Moneyplus Energy	Q3
Co-operative Energy	Q4
Kensington Power Limited	Q4
Logicor Energy Limited	Q4
Goto Energy (UK) Limited	Q4
Orsted Power Sales (UK) Ltd	Q4 (x3)
British Gas Trading	Annual
Bryt Energy Ltd	Annual
Business Power and Gas Limited	Annual (x2)
Eco Green Management Ltd	Annual
Symbio Energy LTD	Annual
Zog Energy Limited	Annual
Ampoweruk Ltd	Annual
Green Supplier Limited	Annual
Limejump Energy Limited	Annual (x2)
Logicor Energy Limited	Annual
Squeaky Clean Energy Limited	Annual (x2)
Switch Business Gas and Power	Annual
EPG Energy Ltd	Annual (x2)
ENGIE Power Limited	Annual (x3)
Octopus Energy Limited	Annual

³⁵ Where a supplier has made more than one incorrect data submission in a period, the number is shown in brackets.

Table A3.3 Late levelisation payments per supplier

License	Period
Symbio Energy LTD	Q1
Symbio Energy LTD	Q2
Nabuh Energy Limited	Q3
Neon Reef	Annual

Table A3.4 Late audit reports

Please note that there were no late audits reports received during FIT Year 11.

Appendix 4: Associated Documents

Standard Conditions 33 and 34 of the Electricity Supply Licences on the Ofgem website:

[Link to Standard Conditions 33 and 34 of the Electricity Supply Licences](#)

<<https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>>

The Feed-in Tariffs Order (as amended) on the legislation.gov.uk website:

[Link to the Feed-Tariffs \(FITs\) Order](#)

<<https://www.legislation.gov.uk/ukxi/2012/2782/contents>>

The Feed-in Tariffs (Amendment) (Coronavirus) Order 2020 on the legislation.gov.uk website:

[Link to the Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020](#)

<<https://www.legislation.gov.uk/ukxi/2020/375>>

The Feed-in Tariffs (Amendment) (Coronavirus) (No. 2) Order 2020 on the legislation.gov.uk website:

[Link to the Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No. 2\) Order 2020](#)

<<https://www.legislation.gov.uk/ukxi/2020/957>>

The Feed-in Tariffs: Guidance for licensed electricity suppliers on the Ofgem website:

[Link to the Feed-in Tariffs: Guidance for licensed electricity suppliers](#)

<<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>>

The Feed-in Tariffs: Guidance for renewable installations (v15) on the Ofgem website:

[Link to the Feed-in Tariffs: Guidance for renewable installations \(v15\)](#)

<<https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-renewable-installations-version-15>>

Appendix 5: Glossary

A

Anaerobic Digestion (AD) – Natural process in which micro-organisms break down organic matter (e.g., animal manure or waste food) within a contained environment. This produces biogas which can then be used as fuel to generate electricity.

B

BEIS – Department for Business, Energy and Industrial Strategy

Biennial Meter Read Verification (BMV) – Inspection of an accredited FIT installation's meter readings to verify that the amount of electricity generated and exported is accurate, conducted every two years.

C

Central FIT Register (CFR) – A database of all accredited FIT installations managed by Ofgem.

Combined Heat and Power (CHP) – The process of capturing and using heat which is created as a by-product of the electricity generation process.

Control for Low Carbon Levies – Replaces the Levy Control Framework (LCF) and monitors the costs of low carbon electricity schemes (including FIT), providing a forecast of total scheme costs. 'The Control' sets out there will be no new low carbon electricity levies until the burden of such costs on electricity bills is falling.

D

DECC – Department of Energy and Climate Change. From July 2016 the new Department for Business, Energy and Industrial Strategy assumed the roles and responsibilities of DECC.

Deemed Export – The proportion of electricity considered to have been exported by installations without export metering. The proportion is set annually as a percentage of the electricity generated.

Declared Net Capacity (DNC) – The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption) minus the amount of electricity that is consumed by the installation.

E

Energy Intensive Industries (EII) – Industries which consume large amounts of energy in their industrial processes.

Eligibility Date – The eligibility date is the date from which FIT payments commence and the FIT generation tariff is assigned.

Eligibility period – The maximum period during which a FIT Generator can receive FIT Payments for a particular Eligible Installation, as set out in the table at Annex 1 of Schedule A to Standard Condition 33 of the Electricity Supply Licence.

F

FIT Generator – Is the owner of an eligible FIT installation.

FIT licensee – A licenced electricity supplier participating in the FIT scheme.

G

Guarantees of Origin (GoOs) – GoOs label electricity from renewable sources to provide information to electricity customers on the source of their energy. They are used by suppliers for Fuel Mix Disclosure compliance to show how much renewable electricity they have supplied in the previous year. GoOs are also used by suppliers to exempt themselves from some of their FIT costs via the FIT levelisation process. GoOs may be issued by any EU member state – the UK version of GoOs are called Renewable Energy Guarantees of Origin (REGOs).

GW – Gigawatt, equal to one billion watts.

GWh – Gigawatt hour, equivalent to one billion watt hours of electricity output.

K

kW – Kilowatt, equal to one thousand watts.

kWh – Kilowatt hour, equivalent to one thousand watt hours of electricity output.

L

Levelisation – The mechanism by which the total cost of the FIT scheme is shared across licensed electricity suppliers. The cost is allocated between suppliers in proportion to their share of the electricity supply market of Great Britain, whilst taking into account any FIT contribution they have already made.

Levelisation fund – The total combined cost the scheme to licensed electricity suppliers.

M

Mandatory licensee – Licensed Electricity suppliers with 250,000 or more domestic customers that are obligated to register and make payments to eligible generators under the FIT scheme.

MCS – Microgeneration Certification Scheme (MCS) certifies renewable energy products, installers, and their installations - ensuring that they meet the standards set by the scheme.

MCS-FIT – Refers to the accreditation pathway for solar photovoltaic (solar PV) and wind installations with a Declared Net Capacity (DNC) of 50kW or less, and micro-CHP installations.

Metered export – The amount of renewable electricity exported from an eligible FIT installation, recorded by a meter capable of taking half-hourly measurements.

Micro-CHP – Is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

Micro installation/generation – The terms for installations, or energy generation from installations with a declared net capacity (DNC) of 50kW or less.

Mutualisation – A mechanism to prevent excessive shortfalls in the levelisation fund in the event of a supplier or suppliers being unable to make some or all of their levelisation payments. If triggered, suppliers who have made periodic levelisation payments are required to make additional payments. These are redistributed to suppliers in proportion to their share of the electricity supply market of Great Britain, whilst taking into account any FIT contribution they have already made.

MW – Megawatt, equal to one million watts.

MWh – Megawatt hour, equivalent to one million watt hours of electricity output.

P

Pre-registration - is the process by which a community organisation or education provider applies for a determination as to whether their installation meets the requirements of a community energy or school installation.

Preliminary accreditation – A mechanism for prospective FIT Generators, giving increased security with regard to tariff rates and eligibility prior to commissioning.

R

ROO-FIT – Refers to the accreditation pathway for a solar photovoltaic (PV) or wind installations with a Declared Net Capacity (DNC) above 50kW and all hydro and anaerobic digestion installations.

S

System Sell Price (SSP) – The price that parties receive to settle the difference between contracted generation or consumption and the amount that was actually generated or consumed.

T

Total Installed Capacity (TIC) – The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption).

Total scheme cost – Is the total cost of the scheme calculated by adding Ofgem's administration costs to the value of the levelisation fund.

TW – Terawatt, equal to one trillion watts.

TWh – Terawatt hour, equivalent to one trillion watt hours of electricity output.

V

Value of the scheme – The total value of the FIT scheme calculated by adding the value of all generation and export payments to FIT licensees qualifying costs.

Voluntary FIT Licensee – A licensee which is not a Mandatory FIT Licensee but volunteers to participate by registering and making payments to eligible generators under the FIT scheme.