

Smart Export Guarantee (SEG) Annual Report

2021-2022 (1 April 2021 - 31 March 2022)





Twelve SEG licensees provided or offered support to Generators via 36 different tariffs during 2021-22. Twenty-seven of these were export only tariffs whilst nine were bundled, for example with import or conditional on the purchase or use of certain products.

34,020 Installations

A total of 34,020 installations were registered to a SEG tariff during 2021-22.¹ This is an increase of 29,427 over 4,593 as reported in 2020-21.

156 MW Capacity

The 34,020 installations registered had a combined Total Installed Capacity of 155.8 MW.¹ This capacity of solar PV is enough to power 36,562 typical three bed houses for a year.

£1.67m Paid in 2021-22

Payments totalling £1,664,969 were paid out to SEG Generators in 2021-22. This compares to £114,480 in 2020-21.



The 24.4 GWh of low carbon electricity exported during 2021-22 was enough to make approximately 586 million cups of tea.

¹ As we receive anonymised data from SEG licensees we are unable to identify unique installations. As such when a Generator switches tariffs during the year they will be double counted.

Executive Summary

This is the second Smart Export Guarantee (SEG) annual report, which provides an update on activity under the SEG from 1 April 2021 through to 31 March 2022 ("SEG Y2").

There were a total of 12 SEG Licensees providing or offering support to SEG Generators under a total of 36 tariffs during SEG Y2. Of these, 11 were Mandatory² Licensees with a total of 35 tariffs, whilst the one Voluntary Licensee had a single SEG tariff on offer. The terms "SEG Licensees" and "Licensees" are used in this report to refer to both Mandatory and Voluntary SEG Licensees.

All but one of these SEG tariffs offered a fixed rate for each unit of electricity exported. The exception to this was a tariff offered by Octopus which was variable and based on the wholesale price of electricity. Some licensees offered higher rates to those that also purchased import electricity from them, and others applied other conditions in order to qualify for higher rates. For example E.ON offered a higher tariff to customers who installed their solar panels by purchasing one of their solar installation packages.

Four SEG licensees exited the electricity market due to insolvency during the course of SEG Y2. As those Licensees are no longer trading, we did not receive a data submission from them and do not have information that relates to their SEG tariffs or installations registered with them. Although Bulb became insolvent during SEG Y2, due to its size it was placed into a Special Administration Regime, meaning that it continued to trade and is therefore included in this report.³

Eligible small-scale Generators registered to one of the SEG tariffs earned payments for each kilowatt hour (kWh) of electricity exported to the National Grid. The second year of the SEG saw a total of 34,020⁴ Generators registered to one of the available tariffs. Collectively, they received payments of £1,664,969 and 24.4 GWh of low-carbon electricity export was recorded. Two of the 12 SEG Licensees had no SEG Generators registered with them during SEG Y2.

Solar PV made up approximately 99.9% of installations and capacity registered to a SEG tariff during SEG Y2. These PV installations exported a total of 24,364 MWh of low-carbon electricity to the National Grid. Additionally, there were four anaerobic digestion (AD), five wind, 13

² Licenced electricity suppliers with at least 150,000 domestic electricity customers are obligated to offer at least one SEG tariff and are termed Mandatory Licensees. Licenced electricity suppliers with fewer than 150,000 domestic electricity customers may opt to become Voluntary SEG Licensees.

³ <u>Information on Bulb's Special Administration Regime</u>: <https://www.gov.uk/government/news/bulbcustomers-protected-as-energy-provider-enters-special-administration>

⁴ As we receive anonymised data from SEG licensees we are unable to identify unique installations. As such when a Generator switches tariffs during the year they will be double counted.

micro-combined heat and power (micro-CHP) and no hydro installations registered to a SEG tariff in SEG Y2. These other technology types collectively exported 47 MWh of low-carbon electricity during SEG Y2.

The vast majority of installations had a capacity of less than or equal to 10 kW (98.2% of all installations). Of the £1,664,969 in payments made during SEG Y2, £1,565,132 (94.0%) went to solar PV installations in this capacity range.

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Feedback

We value your feedback on this report. Please contact us at <u>SchemesReportingFeedback@ofgem.gov.uk</u> with any comments or suggestions.

About the SEG

The Smart Export Guarantee (SEG) policy was designed and is owned by the Department for Business, Energy and Industrial Strategy (BEIS). Ofgem have been appointed to administer the SEG on behalf of BEIS in line with their policy design.⁵

The SEG came into force on 1 January 2020, under the Smart Export Guarantee Order 2019.⁶ The SEG is a market-led initiative: Licensees are free to set their own SEG tariff price and decide how their tariffs work (including the tariff length, as well as other relevant contractual terms). The obligations on SEG Licensees are set out in Standard Conditions 57 and 58 of the Electricity Supply Standard Licence Conditions.⁷

To be eligible for a SEG tariff, a SEG Generator must use one or more of the following eligible technologies in their installation:

- Anaerobic digestion (AD)
- Hydro
- Onshore wind
- Solar photovoltaic (PV)
- Micro-combined heat and power (micro-CHP)

All technology types have a maximum permitted capacity of 5 megawatts (MW); with the exception of micro-CHP installations, which must be no more than 50kW total installed capacity (TIC).⁸

SEG Licensees must provide a SEG tariff that can be accessed by Generators using any of the eligible technologies. It is up to the SEG Licensees if they do this through one tariff or multiple tariffs. All tariffs offered must always be at a rate greater than 0p/kWh.⁹

The eligible technologies on the SEG are the same as those on the FIT scheme, which closed to new applicants on 1 April 2019.

⁵ The future for small-scale low-carbon generation: part A

<https://www.gov.uk/government/consultations/the-future-for-small-scale-low-carbon-generation>

⁶ Smart Export Guarantee Order 2019 https://www.legislation.gov.uk/uksi/2019/1005/contents/made
⁷ Electricity Supply Standard Licence Conditions

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

⁸ Total Installed Capacity (TIC): The maximum capacity at which an installation could be operated for a sustained period without damaging it (assuming the source of power or eligible low-carbon energy source was available to it without interruption).

⁹ Paragraph 3.1 of Schedule A to Standard Licence Condition 57 of the Standard Conditions of Electricity Supply Licence.

Ofgem's Role

Ofgem has several administrative functions under the SEG:

- Publication of guidance to SEG Generators and SEG Licensees on the operation of the SEG
- Publishing a list of Mandatory and Voluntary SEG Licensees annually
- Publishing a report on the SEG annually
- For AD installations, checking whether the sustainability criteria and reporting requirements are met, and notifying the relevant Generator of the outcome of the assessment¹⁰

SEG Licensees' Roles

The responsibilities SEG Licensees have under the SEG are:

- Offering at least one SEG tariff to eligible installations
- Assessing the eligibility of installations
- Making SEG payments based on export meter readings
- Handling any complaints from SEG Generators
- Providing data to Ofgem on tariff offerings, uptake and payments

Scope of Annual Report

This report fulfils Ofgem's obligation under article 7 of the Smart Export Guarantee Order 2019 to prepare and publish a report on the SEG at least once each calendar year. This report covers the period from 1 April 2021 to 31 March 2022 (SEG Y2). As required, the report sets out the following:

- The export tariffs that have been offered by SEG Licensees
- The number of eligible installations in receipt of SEG payments
- How much exported electricity has been the subject of SEG payments¹¹
- The total amount of SEG payments that have been made
- The breakdown of SEG payments by-
 - Capacity; and
 - \circ $\;$ The energy source generating the electricity.

¹⁰ <u>Guidance for Anaerobic Digestion Generators: SEG sustainability criteria and reporting requirements</u> <https://www.ofgem.gov.uk/publications/guidance-anaerobic-digestion-generators-seg-sustainabilitycriteria-and-reporting-requirements>

¹¹ Article 7 refers to generation and not export. We consider that the intent of the drafting of the Order was to refer to export, given SEG payments are made for export and not generation. As such we request export and not generation data from SEG licensees.

Smart Export Guarantee (SEG)

Ofgem does not hold a database of SEG installations. Ofgem requires annual submission of information about installations in receipt of SEG payments during the relevant SEG year from all Mandatory and Voluntary SEG Licensees. This information is anonymised and includes no locational or otherwise personal information. Ofgem have published the installation dataset alongside this annual report for full transparency and to enable stakeholders to perform their own analysis of the data.¹²

¹² Though Licensees are obligated to provide complete and accurate information, we cannot guarantee the accuracy of the information we receive. Readers should bear this in mind when viewing the published data.

1. SEG Tariffs

- 1.1. SEG Licensees must offer at least one SEG export tariff to any Generator with an eligible SEG installation. There is no prescribed tariff rate, type or length, but the tariff must offer an above-zero pence rate per kWh of export at all times.¹³
- 1.2. A SEG Licensee can also offer SEG tariffs that are bundled with other products (such as import electricity or the purchase and/or use of certain products) although a bundled offer must be in addition to a SEG export tariff that is available to all eligible installations.
- 1.3. A summary of all SEG tariffs offered by SEG Licensees up to 31 March 2022 is shown in **Table 1.1**.¹⁴ Where the tariff end date is before the start of SEG Y2, these tariffs have been included due to Generators registering onto these tariffs in SEG Y1 but continuing to export and/or receive payment during SEG Y2.

SEG Licensee	Tariff name	Export only / Bundled	Tariff start date ¹⁵	Tariff end date ¹⁶	Tariff rate (p/kWh)
British Gas	Export and Earn Flex	Export only	01/01/2020	Ongoing	3.2
Bulb	Export Payments standard flat rate tariff	Export only	01/01/2020	31/03/2021	5.38
Bulb	Export Payments standard flat rate tariff	Export only	01/04/2021	Ongoing	3.0
Bulb	Export Payments exclusive flat rate tariff	Bundled ¹⁷	01/04/2021	Ongoing	5.57
E	E SEG January2020v.1	Export only	01/01/2020	Ongoing	1.0
E.ON	SEG Tariff	Export only	01/01/2020	04/11/2021	0.01
E.ON	Fix & Export v1	Export only	01/01/2020	31/12/2020	3.0
E.ON	Fix & Export Exclusive v1	Bundled ¹⁸	01/01/2020	31/12/2020	5.5

Table 1.1: Export tariffs offered by SEG Licensees

¹³ Paragraph 3.1 of Schedule A to Standard Licence Condition 57 of the Standard Conditions of Electricity Supply Licence.

¹⁴ Ofgem are aware that there may be other tariffs on offer in the market, some of which may be similar in design to tariffs represented here. This report is based on data provided to us by Licensees in relation to their SEG tariffs.

¹⁵ The first date a Licensee started offering this tariff to the market.

¹⁶ The last date a Generator would have been able to register on this tariff. The subsequent length of the tariff after this registration date would then be determined by the terms of the agreement.

¹⁷ Bulb's '*Exclusive'* tariff is bundled with import electricity.

 $^{^{18}}$ The three Exclusive tariffs provided by E.ON (v1, v2 and v3) require Generators to have purchased their PV panels through E.ON.

SEG Licensee	Tariff name	Export only / Bundled	Tariff start date ¹⁵	Tariff end date ¹⁶	Tariff rate (p/kWh)
E.ON	Fix & Export v2 / Next Export	Export only	01/01/2021	31/12/2021	3.0
E.ON	Fix & Export Exclusive v2 / Next Export Exclusive	Bundled	01/01/2021	31/12/2021	5.5
E.ON	Fix & Export v3 / Next Export	Export only	01/01/2022	Ongoing	3.0
E.ON	Fix & Export Exclusive v3 / Next Export Exclusive	Bundled	01/01/2022	Ongoing	5.5
EDF	Export+Earn	Export only	01/05/2020	31/10/2020	3.5
EDF	Export+Earn	Export only	01/11/2020	Ongoing	1.5
F&S	Standard SEG rate	Export only	01/04/2021	31/03/2022	3.0
Octopus	Agile Outgoing Octopus May 2019	Bundled ¹⁹	01/01/2018	Ongoing	45.93
Octopus	Outgoing Octopus 12M Fixed May 2019	Bundled ²⁰	15/05/2019	14/02/22	5.0
Octopus	Outgoing Octopus 12M Fixed May 2019	Bundled	15/02/22	Ongoing	7.5
Octopus	Tesla Outgoing October 2019 v1	Bundled ²¹	28/10/2019	04/05/2021	8.0
Octopus	Tesla Lite Outgoing October 2020 v1	Bundled	15/10/2020	04/05/2021	11.0
Octopus	Tesla Outgoing April 2021 v1	Bundled	04/05/2021	Ongoing	12.22
Octopus	Tesla Loyal Outgoing April 2021 v1	Bundled	04/05/2021	25/11/2021	8.72
Octopus	Powerloop Export June 2021 v1	Bundled ²²	22/06/2021	Ongoing	5.0
Octopus	Octopus Outgoing Smart Export Guarantee July 2020 v1	Export only	13/07/2020	14/02/2022	3.0
Octopus	Octopus Outgoing Smart Export Guarantee July 2020 v1	Export only	15/02/2022	Ongoing	4.1

 ¹⁹ Octopus' Agile Outgoing Octopus May 2019 tariff is a variable tariff where export prices change every
 30 minutes based on wholesale costs. The 45.93 p/kWh figure in Table 1.1 is an average figure.
 ²⁰ Octopus' Outgoing Octopus 12M Fixed May 2019 tariffs are bundled with import electricity.

²¹ Octopus' *Tesla Outgoing* tariffs are designed for use in properties with solar PV and a Tesla Powerwall installed.

²² Octopus' *Powerloop Export June 2021 v1* tariff is designed to export electricity stored in car batteries to the grid during times of peak demand.

SEG Licensee	Tariff name	Export only / Bundled	Tariff start date ¹⁵	Tariff end date ¹⁶	Tariff rate (p/kWh)
Octopus	M&S Smart Export Guarantee November 2020 v1	Export only	11/11/2020	Ongoing	4.1
Octopus	Co-op Smart Export Guarantee November 2020 v1	Export only	11/11/2020	Ongoing	4.1
Octopus	My London Smart Export Guarantee November 2020 v1	Export only	11/11/2020	Ongoing	4.1
Octopus	Affect Smart Export Guarantee November 2020 v1	Export only	11/11/2020	Ongoing	4.1
OVO Energy	SSE SEG Tariff (3.5)	Export only	01/01/2020	Ongoing	3.5
OVO Energy	OVO SEG Tariff (AET20)	Export only	01/01/2020	Ongoing	4.0
Scottish Power	Smart Export Variable tariff	Export only	01/01/2020	30/11/2021	4.0
Scottish Power	Smart Export Variable tariff	Export only	01/12/2021	Ongoing	5.5
Shell	Smart Export Guarantee	Export only	01/01/2020	Ongoing	3.5
Utilita	Smart Export Guarantee	Export only	01/01/2020	Ongoing	3.0
Utility Warehouse	Standard Variable	Export only	01/01/2020	Ongoing	2.0

- 1.4. Thirty-six tariffs provided support or were offered to Generators throughout SEG Y2, 14 of which stopped being available to Generators by the end of the year, and 22 of which remained ongoing. Three tariffs closed during Y1 but still had Generators registering export and/or payments against them in Y2 which is why they are represented in **Table 1.1**.
- 1.5. Of the tariffs listed all but one offered a flat rate of return, although some of these tariff rates were variable. Octopus' *Agile Outgoing Octopus May 2019* tariff was the exception to this, being updated every 30 minutes based on wholesale electricity costs. The 45.93 p/kWh tariff rate listed in **Table 1.1** is an average figure.
- 1.6. Some Licensees offered higher rates conditional on SEG Generators meeting additional requirements. For example, Bulb's '*exclusive'* tariff of 5.57 p/kWh was available only to those also supplied with their import electricity by Bulb. This compares to a tariff of 3.0 p/kWh available to those who are not Bulb import customers. Similarly, E.ON's higher-rate tariff (*Fix & Export Exclusive v1, v2 and v3*) of 5.5 p/kWh, was only available to

customers who had purchased a solar PV installation on or after 1 January 2020 directly from the E.ON Solar Team. The highest tariff available from E.ON to those who had not purchased a solar PV system from them was 3.0 p/kWh. Octopus offered a number of bundled tariffs including the '*Tesla Outgoing'* plans that required the solar PV Generator to have a Tesla Powerwall in order to qualify, and the '*Powerloop Export June 2021 v1'* plan which exports electricity stored in car batteries to the grid during times of peak demand.

- 1.7. When looking at how tariffs have changed over time many have remained unchanged since the launch of the SEG in January 2020. In contrast, Scottish Power's '*Smart Export Variable tariff*' rose from the original rate of 4.0 p/kWh to 5.5 p/kWh as of 1 December 2021. Octopus also increased several of their tariff rates, for example '*Outgoing Octopus 12M Fixed May 2019*' and their '*Octopus Outgoing Smart Export Guarantee July 2020 v1*' increased on 15 February 2022 from 5.0 p/kWh and 3.0 p/kWh to 7.5 p/kWh and 4.1 p/kWh respectively.
- 1.8. Another example of SEG Licensees using their discretion in creating SEG tariffs are the differing lengths of tariff term available in the market. Some tariffs run for a specific period of time, with payments stopping after this unless a new contract is signed. Other tariffs have no fixed end date, but Licensees reserve the right to vary tariff rates after giving notice.

2. Installations

- 2.1. In SEG Y2 a total of 34,020 installations were registered onto a SEG tariff.²³ The number of registrations in Y2 refers to any installations that have been registered, reported export or have received a payment from a SEG tariff at any point during SEG Y2. It should be noted that given our data collection method of requesting anonymised data from SEG licensees we are unable to identify unique installations. As such if a Generator switches tariffs during the year, they will be double counted.
- 2.2. As shown in **Figure 2.1** the number of installations registered varied significantly between SEG Licensees. Octopus had the highest number of registrations at 22,791, accounting for 67.0% of total installations on the SEG. This is a dramatic increase on their Y1 registrations which stood at 119.
- 2.3. In the first SEG annual report we were notified of one SEG tariff provided by Octopus Energy covering these 119 registrations. For this second annual report, after clarification of what constitutes a SEG tariff, Octopus have notified us of a number of additional tariffs that were in operation during SEG Y1 but were not included in the Y1 report. These, along with their associated registrations are now included, meaning that some of the increases in the reported statistics throughout the report relate to this expanded scope rather than growth in the SEG that has occurred during SEG Y2.

²³ Though Licensees are obligated to provide complete and accurate information, we cannot guarantee the accuracy of the information we receive. Readers should bear this in mind when viewing the published data.



2.4. As shown in **Table 2.1**, of the total 34,020 eligible installations that registered on a SEG tariff in SEG Y2, 33,998 (99.9%) were solar PV installations. The remaining SEG installations were five wind, four anaerobic digestion (AD) and 13 micro-CHP Generators. No Generators using hydro were registered to a SEG tariff during the reporting period. These registered installations have an installed capacity of 155,755 kW, with 155,647 kW from solar PV and the remaining 108 kW from the wind, AD and micro-CHP installations.

Table 2.1: Installations and installed	d capacity by technology type
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Technology	Installations	Installed capacity (kW)
Solar PV	33,998	155,647
Wind	5	26
Hydro	-	-
AD	4	46
Micro-CHP	13	36
Total	34,020	155,755

2.5. Figure 2.2 provides a breakdown of solar PV installations and installed capacity, broken down into capacity bands. Just over 98.2% of the 33,998 PV registrations had a capacity of 10 kW or less, and these registrations accounted for 90.1% of installed solar PV capacity. Table 2.2 provides the same information for the other technology types. Here 81.8% of registrations had a capacity of 10 kW or less. However, if you look at just wind and AD the proportion in this capacity range falls to 55.6%.

Figure 2.2 Solar PV installations and installed capacity by capacity band

This column chart shows the number of PV registrations and installed capacity split by capacity band. The two most significant contributions come from the 4 kW or less band with 15,970 registrations and 45.0 MW of installed capacity, and the over 4 kW to 10 KW capacity band with 17,423 registrations and 95.3 MW of installed capacity.



Table 2.2: Other technologies - installations and installed capacity by capacity band

Capacity	Wind installations	Wind installed capacity (kW)	AD installations	AD installed capacity (kW)	Micro-CHP installations	Micro-CHP installed capacity (kW)
<=4kW	3	4	1	4	12	30
>4kW to <=10kW	-	-	1	7	1	6
>10kW to <=50kW	2	22	2	35	-	-
>50kW to <=400kW	-	-	-	-	-	-
>400kW to <=1MW	-	-	-	-	-	-
>1MW to <=5MW	-	-	-	-	-	-
Total	5	26	4	46	13	36

3. Electricity Exported and Payments

- 3.1 Not all of the 34,020 installations registered during SEG Y2 reported export during the year. Of those that did, not all received payment for their export by the end of the year. SEG Licensees obtain meter readings and make payment in line with their SEG contract terms and conditions. These terms and conditions vary between Licensees, meaning that although export may have occurred during SEG Y2, the Licensee may not obtain meter readings to show this and/or make payment against this export until SEG Y3. Similarly, a proportion of the payments included below relate to export that was reported during SEG Y1.
- 3.2 A total of 28,100 installations received payment for their exported electricity by the end of the reporting period. Of these, two did not report any export, we expect this is likely due to the export having been reported during SEG Y1. A further nine reported export but had not received any payment. 5,911 had not yet reported any export or received payment within SEG Y2.²⁴
- 3.3 The following tables (**Tables 3.1, 3.2, 3.3 and 3.4**) show details for the stations reporting export and receiving payments within SEG Y2, split by technology type.

Capacity band	Solar PV stations registering export	Solar PV stations receiving payment	Solar PV Export (kWh)	Solar PV payments*
<=4kW	15,971	12,748	8,216,406	£525,507
>4kW to <=10kW	17,423	14,852	14,704,946	£1,035,367
>10kW to <=50kW	572	456	1,060,260	£85,986
>50kW to <=400kW	32	22	381,298	£12,626
>400kW to <=1MW	_	-	-	-
>1MW to <=5MW	1	1	935	£30
Total	33,999	28,079	24,363,845	£1,659,517

Table 3.1 Solar PV – breakdown of reported export and payments

*Payments have been rounded to the nearest pound (£)

²⁴ Though Licensees are obligated to provide complete and accurate information, we cannot guarantee the accuracy of the information we receive. Readers should bear this in mind when viewing the published data.

Table 3.2 Wind – breakdown o	f reported	export	and p	ayments
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Capacity band	Wind stations registering export	Wind stations receiving payment	Wind Export (kWh)	Wind payments*
<=4kW	3	2	15,068	£2,643
>4kW to	-	-	-	-
<=10kW				
>10kW to	2	2	15,784	£631
<=50kW				
>50kW to	-	-	-	-
<=400kW				
>400kW to	-	-	-	-
<=1MW				
>1MW to	-	-	-	-
<=5MW				
Total	5	4	30,852	£3,274

*Payments have been rounded to the nearest pound (£)

Table 3.3 Anaerobic digestion (AD) – breakdown of reported export and payments

Capacity band	AD stations registering export	AD stations receiving payment	AD Export (kWh)	AD payments*
<=4kW	1	1	209	£26
>4kW to <=10kW	1	1	379	£12
>10kW to <=50kW	2	2	3,036	£563
>50kW to <=400kW	-	-	-	-
>400kW to <=1MW	-	-	-	-
>1MW to <=5MW	-	-	-	-
Total	4	4	3,624	£601

*Payments have been rounded to the nearest pound (£)

Capacity band	Micro-CHP stations registering export	Micro-CHP stations receiving payment	Micro-CHP Export (kWh)	Micro-CHP payments*
<=4kW	10	10	8,204	£972
>4kW to <=10kW	1	1	4,356	£348
>10kW to <=50kW	-	-	-	-
>50kW to <=400kW	-	-	-	-
>400kW to <=1MW	-	-	-	-
>1MW to <=5MW	-	-	-	-
Total	11	11	12,561	£1,321

Table 3.4 Micro-CHP – breakdown of reported export and payments made

*Payments have been rounded to the nearest pound (£)

- 3.4 In total 24,411 MWh of export was reported across all technology types during SEG Y2. In line with the proportion of registrations accounted for by solar PV, 99.8% of this total came from solar PV installations, of which 93.9% came from solar PV installations with an installed capacity of 10 kW or less. Collectively the other technology types made up only 0.19% of export.
- 3.5 Payments made during SEG Y2 came to a total of £1,664,969 and were made to 28,100 Generators against reported export of 24,409 MWh. As expected, the vast majority of payments (99.7%) went to solar PV installations, with 93.8% going to solar PV installations with an installed capacity of 10 kW or less. The remaining £5,196, or 0.31% of payments went to the 19 wind, AD and Micro-CHP stations that received payments.

4. Licensee Compliance

- 4.1. Ofgem is responsible for monitoring Licensee compliance with their SEG obligations as set out in the Standard Electricity Supply Licence Conditions.²⁵ Where a non-compliance is identified, Ofgem works with Licensees to resolve the issue. This helps to ensure that the SEG is being delivered in accordance with the regulations and that consumers are not being disadvantaged by any issues identified.
- 4.2. Depending on the nature of the non-compliance, Ofgem may deem it appropriate to add details to the Supplier Performance Report (SPR).²⁶ The SPR documents incidents where energy suppliers have not complied with their obligations under the environmental, energy efficiency and social programmes which Ofgem administer.
- 4.3. A summary of non-compliances observed on the SEG in Y2 follows.

Late Data Submission

4.4. To facilitate our reporting obligations under the SEG, SEG Licensees are required to submit data to Ofgem by 30 June after the end of the relevant SEG year.²⁷ Two licensees failed to submit their data by the deadline and will be added to the Supplier Performance report.

Delays in Handling SEG Applications

- 4.5. Obligated suppliers must accept a request for SEG payments from eligible SEG Generators and have a duty to carry out these obligations efficiently and in a timely manner.²⁸
- 4.6. We have been informed that some suppliers are potentially breaching this requirement as they reportedly took an extended period of time to process Generator applications. We are currently investigating these incidents and will take any appropriate action.

²⁵ Electricity Supply Standard Licence Conditions

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

²⁶ Supplier Performance Report

<https://www.ofgem.gov.uk/environmental-programmes/environmental-programmes-ofgem-s-role-and-delivery-performance/supplier-performance-report-spr>

²⁷ Guidance for SEG Licensees, 5.3

²⁸ Further details are listed in points 57.3.2 and 57,5.2.8 of the Electricity Act 1989, see: <u>Electricity Act</u> 1989, Standard conditions of electricity supply licence

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

SEG Licensee Insolvency

- 4.7. When a SEG Licensee becomes insolvent, Generators registered onto a SEG tariff with them are responsible for seeking a new SEG export tariff from another SEG Licensee. Any electricity exported between when support from the insolvent SEG Licensee comes to an end, and when a contract is agreed with a new SEG Licensee, is not supported under the SEG.
- 4.8. Four SEG licensees (Avro Energy, Pure Planet, Utility Point and People's Energy) exited the electricity market due to insolvency during the course of SEG Y2. As those Licensees are no longer trading, we did not receive a data submission from them and do not have information that relates to their SEG tariffs or installations registered with them.
- 4.9. Although Bulb became insolvent during SEG Y2, due to its size it was placed into a Special Administration Regime, meaning that it continued to trade and is therefore included in this report.²⁹

²⁹ <u>Information on Bulb's Special Administration Regime</u>: <https://www.gov.uk/government/news/bulbcustomers-protected-as-energy-provider-enters-special-administration>

Appendix 1: Related Documents

 The Smart Export Guarantee Regulations 2019 can be viewed on the legislation.gov.uk website.

Smart Export Guarantee Regulations: <https://www.legislation.gov.uk/uksi/2019/1005/contents/made>

- Guidance documents on the SEG for Licensees can be viewed on the Ofgem website.
 <u>Guidance for SEG Licensees:</u>
 https://www.ofgem.gov.uk/publications/guidance-seg-licensees
- Guidance documents on the SEG for Generators can also be viewed on the Ofgem website.

Guidance for SEG Generators:

<https://www.ofgem.gov.uk/publications/smart-export-guarantee-guidance-generators>

- Further information on the policy background to the SEG can be found by referring to the 'Future for small-scale low carbon generation' consultation.
 <u>Consultation on the 'Future for small-scale low carbon generation':</u>
 < https://www.gov.uk/government/consultations/the-future-for-small-scale-low-carbongeneration>
- You can also find further information on the SEG by visiting the SEG pages on the Ofgem website.

SEG information on the Ofgem website:

<https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg>