

Feed-in Tariff Annual Report

2021-2022



ofgem

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 helps the UK reduce its carbon emissions and the scheme plays a vital role in supporting the UK's Net Zero commitments. 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.

Ofgem, as scheme administrator, oversees the successful operation of the scheme, which from April 2010 to the end of 2021-22 (Scheme Year 12 (SY12)), saw 6.46 GW of low-carbon generating capacity deployed. During SY12, this produced 7.94 TWh of renewable electricity generation (sufficient to power over two million homes for a year) for which FIT Generators were paid just over £1.45 billion. Additionally, electricity exports reached just over 2 TWh, with associated export payments of around £105 million. Ofgem's cost to administer the scheme in SY12 was just over £2.2 million, equivalent to 0.17% of the levelisation fund¹, the second lowest proportion in the scheme's lifetime.

As administrators we are required to report on certain aspects of the scheme annually. Additionally, we also report other information we think will be of interest to stakeholders. This report summarises activity during SY12, covering 1 April 2021 to 31 March 2022.

The number of installations registered on the FIT during SY12 has fallen for the first time since scheme launch on 1 April 2010. Despite 582 new registrations being made on the Central FIT Register (CFR) in SY12, the total number of active installations has decreased by 20 from 869,976 in SY11 to 869,956 in SY12. This fall in active installations is in part due to a number of micro-CHP² installations reaching the end of their ten-year eligibility period, meaning they are no longer active on the scheme.³ Solar photovoltaic (PV) remains the most popular technology type on the scheme, forming 98.92% of the 869,956 active installations.

In SY12, the total value of the scheme decreased by £189 million to £1.57 billion. We understand that this was in large part due to a 67.5% decrease in metered export payments made under the scheme. Due to the rise in wholesale energy costs a number of FIT Generators

¹ The levelisation fund is the total combined cost of the scheme to licensed electricity suppliers.

² Micro-Combined Heat and Power (CHP) is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

³ Active installations are those installations that are accredited and still in their eligibility period for payments.

opted out of the export element of the scheme, switching from the standard FIT export tariff to a negotiated Power Purchase Agreement (PPA).

Monitoring compliance

To ensure the FIT scheme delivers expected benefits we undertake robust audit and compliance assessments. We help ensure that participants effectively fulfil their obligations under the scheme, thereby delivering value for money for consumers.

The number of FIT Licensees continued to fall in SY12, with 20 voluntary and 21 mandatory FIT Licensees participating in the scheme. Several suppliers exited the electricity market leaving quarterly and annual levelisation payments unpaid. This shortfall was not large enough to trigger mutualisation.

We conduct audits of both FIT Licensees and FIT Generators – also referred to as ‘suppliers’ and ‘participants’ respectively within this annual report – to ensure compliance with scheme rules. In SY12, we audited a total of seven FIT Licensees and 70 FIT Generators. The proportion of positively rated Licensee audits increased from last year, with 71.4% receiving a ‘Good’ rating. For our Generator audits 91.4% were given either a ‘Weak’ or ‘Unsatisfactory’ rating. However, a high proportion of ‘Weak’ and ‘Unsatisfactory’ ratings was expected as all these Generator audits targeted known risk areas. Common themes of non-compliance within these audits included incorrect accreditation or commissioning information being provided as well as insufficient evidence relating to installation capacity and payments. It is important that suppliers and participants provide information that is accurate, timely and complete and this will be an increasing focus in our industry engagement.

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 17 of these investigations in SY12, four of which resulted in compliance action. Actions included the withdrawal of FIT accreditation and all payments, tariff adjustments and the suspension of Licensee payments until overpayments had been recouped. In total, through our administration work during SY12 we have identified almost £8.78 million of error and suspected fraud.

Please note: a spreadsheet containing the data used in the production of this report is published alongside the report on our website.

869,956
Accreditations

The total number of accreditations on the scheme in SY12 reached 869,956. The majority of these are solar photovoltaic installations which form 98.92% (860,545) of all accreditations.

6.46 GW
Capacity

The FIT Total Installed Capacity (TIC) reached approximately 6.46 GW in SY12. The largest proportion of capacity comes from solar photovoltaic installations which accounts for 79.54% (5.14 GW).

7.94 TWh
Generation

A total of 7.94 TWh of renewable electricity was generated on the FIT scheme in SY12. This is sufficient to power over two million homes for a year.

2.06 TWh
Exported

Approximately 2.06 TWh of renewable electricity was exported to the grid from FIT installations receiving export payments in SY12. This is 1.9 TWh lower than exports in SY11.

£1.57 billion
FIT scheme value

The FIT scheme value in SY12 was £1.57 billion. This included £1.45 billion in generation payments and £105m in export payments. The scheme value has fallen by around £189 million compared to SY11, with much of this reduction attributed to generators with metered export opting out of receiving FIT export payments.

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Feedback

We value your feedback on this report. Please contact us at:

SchemesReportingFeedback@ofgem.gov.uk with any comments or suggestions.

About the Scheme

The Feed-in Tariffs (FIT) scheme was introduced on 1 April 2010 by the Department for Energy and Climate Change (DECC)⁴ with Ofgem being appointed as the administrator⁵. The FIT scheme is underpinned by the Feed-in Tariffs Order 2012⁶ as amended ('The Order') and conditions 33 and 34 of the Standard Conditions of Electricity Supply Licence⁷ ('the Supply Licence Conditions'). This scheme forms a key part of the range of energy market reforms designed to reduce Britain's reliance on expensive gas imports and accelerate the transition towards cleaner and more secure supplies of home-grown energy.

The scheme was designed to encourage uptake of small-scale renewable and low-carbon generation technologies in England, Wales and Scotland to help the UK reduce carbon emissions and meet its renewable energy and 2050 decarbonisation targets⁸. 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. 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.

FIT Generators using solar photovoltaic (PV), wind, hydro or anaerobic digestion (AD) technologies with a Total Installed Capacity (TIC) up to 5MW, or fossil fuel-derived combined heat and power up to 2kW (micro-CHP) were able to apply to receive FIT payments, subject to certain eligibility requirements.

Although the scheme closed to new applications on 1 April 2019, exceptions were granted to those that applied for preliminary accreditation and received extended eligibility periods to make their applications. The last preliminary applicants have now either successfully made full accreditation applications or their validity periods have expired.

As part of our obligations under the scheme we are required to provide an annual report to the Secretary of State for the Department of Business, Energy and Industrial Strategy (BEIS) by 31 December following the end of an obligation period. This report fulfils this obligation

⁴ From July 2016 the new Department for Business, Energy and Industrial Strategy (BEIS) assumed the roles and responsibilities of the Department of Energy and Climate Change (DECC)

⁵ Ofgem administer the scheme on behalf of the Gas and Electricity Markets Authority (GEMA), "the Authority"

⁶ [The Feed-in tariffs Order 2012](https://www.legislation.gov.uk/ukxi/2012/2782/contents/made) <<https://www.legislation.gov.uk/ukxi/2012/2782/contents/made>>

⁷ [Licensee 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>>

⁸ The Energy Act 2008 set a decarbonisation target for the UK of at least 80% lower than the 1990 baseline. In 2019 this target was amended to 100% of the 1990 baseline (Net Zero).

summarising activity during the twelfth year of the scheme (Year 12), covering 1 April 2021 to 31 March 2022.

Changes to the Scheme

Use of photographic evidence for meter reading verifications

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). This was intended 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.

Following consultation⁹, 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

As the average age of accredited FIT installations increases, so does the likelihood that generating equipment needs to be replaced. 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.

On 7 August 2021 our consultation¹⁰ on replacement generating equipment closed and we published our decision¹¹ and changes to the guidance text on 13 December 2021. The decision allows Generators to remove and replace equipment forming part of their installation without the installation's accreditation being affected.

The decision also permits Generators to extend the capacity of their installations without its accreditation being affected. It should be noted, however, that no FIT payments can be claimed for the additional capacity unless this was possible under the existing rules. This change should encourage Generators to expand their installations, increasing the amount of renewable generating capacity and further contributing towards the UK's Net Zero objectives.

⁹ [Feed-in Tariffs \(FIT\) 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>>

¹⁰ [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>>

¹¹ [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>>

Renewable Electricity Register Launch

Ofgem is redeveloping the 'Renewables and CHP Register', currently used to administer the Renewables Obligation (RO), Feed-in Tariffs (specifically ROO-FIT¹²) and Renewables Energy Guarantees of Origin (REGO) schemes. The new Register will be called the Renewable Electricity Register (RER) and aims to provide a better user experience and ensure it is fit for purpose moving forward. The new Register will focus on signposting users to guidance rather than focusing on help text, allowing users to efficiently find relevant information and make informed decisions on their amendments. More information and the latest updates on the Register can be found on the Ofgem website.¹³

¹² ROO-FIT is the accreditation pathway used on the FIT scheme for solar PV and wind installations with a capacity greater than 50kW, and for all hydro and anaerobic digestion installations.

¹³ [Redevelopment of the Renewables and CHP Register - Timeline and project progress update](https://www.ofgem.gov.uk/publications/redevelopment-renewables-and-chp-register-timeline-and-project-progress-update)
<<https://www.ofgem.gov.uk/publications/redevelopment-renewables-and-chp-register-timeline-and-project-progress-update>>

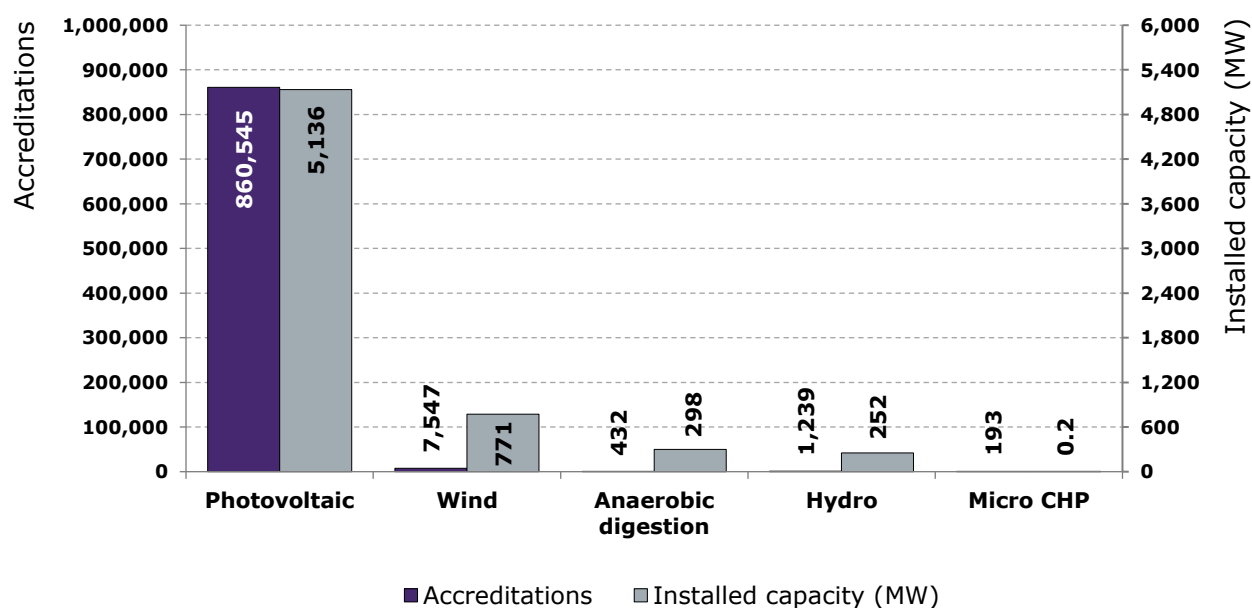
1. Accredited Installations

Number of accredited installations

- 1.1 At the end of SY12 there were 869,956 active installations¹⁴ registered on the Central FIT Register (CFR). This is a small decrease of 20 on the 869,976 active installations registered at the end of SY11. Overall, 98.92% of these installations are solar photovoltaic (PV), and 95.39% are domestic installations.
- 1.2 Across all technology types at the end of Year 12, there was a total of 6.46GW of installed capacity on the scheme. This is a small increase of just under 30MW on last year's total of 6.43GW.

Figure 1.1 Number and capacity of FIT accreditations (Total)

Column chart showing the number of accredited FIT installations and the installed capacity by technology type since scheme launch. Solar PV installations form the majority of accreditations (98.92%) and installed capacity (79.54%).



- 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 solar PV installations; most of these solar PV installations are domestic roof top installations, and these tend to be in

¹⁴ Active installations are those installations that are accredited and still in their eligibility period for payments.

the 0-4kW capacity range. Apart from micro-CHP¹⁵, solar PV installations are on average smaller than the installations of other technology types.

Table 1.1 Proportion of deployment and installed capacity by capacity band

| Capacity band | Installed capacity (MW) | Percentage | Installations | Percentage |
|--------------------------|-------------------------|------------|---------------|------------|
| 0-50kW (microgeneration) | 3,488 | 54.02% | 863,104 | 99.21% |
| >50kW | 2,970 | 45.98% | 6,852 | 0.79% |

- 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 99.21% of installations. However, despite the volume of installations they make up only 54.02% of installed capacity. On the other hand, installations with a capacity greater than 50kW make up less than 1% of installations yet account for 45.98% 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 (123,312) and the highest proportion of installed capacity (17.90%). The South East and East of England are the only other regions with more than 100,000 installations and account for 11.27% and 10.53% of installed capacity respectively.
- 1.6 Scotland with 65,417 installations is only eighth regionally in terms of installations accredited, but second in terms of installed capacity (12.19%). The average capacity of installations in Scotland is higher due primarily to the significance of onshore wind in the country compared to other regions. Over 40% of all FIT onshore wind installations are in Scotland.

¹⁵ Micro-Combined Heat and Power (CHP) is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

Table 1.2 Regional distribution of FIT installations

| Region | Number of installations | Percentage of installations | Installed capacity (kW) | Percentage of installed capacity |
|--------------------------|-------------------------|-----------------------------|-------------------------------|----------------------------------|
| South West | 123,312 | 14.17% | 1,156,091 | 17.90% |
| South East | 114,314 | 13.14% | 727,855 | 11.27% |
| East of England | 106,150 | 12.20% | 679,702 | 10.53% |
| East Midlands | 87,937 | 10.11% | 650,747 | 10.08% |
| North West | 85,621 | 9.84% | 471,105 | 7.30% |
| Yorkshire and The Humber | 84,362 | 9.70% | 523,785 | 8.11% |
| West Midlands | 71,893 | 8.26% | 484,767 | 7.51% |
| Scotland | 65,417 | 7.52% | 787,514 | 12.19% |
| Wales | 56,768 | 6.53% | 488,558 | 7.57% |
| North East | 47,705 | 5.48% | 209,198 | 3.24% |
| London | 25,809 | 2.97% | 129,854 | 2.01% |
| Unknown ¹⁶ | 668 | 0.08% | 148,520 | 2.30% |
| Total | 869,956 | 100% | 6,457,694¹⁷ | 100% |

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, there's a greater proportion of solar 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.

¹⁶ 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.

¹⁷ There is a discrepancy between the sum of capacity by region and the total due to rounding.

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

Map of the UK showing the distribution of FIT installations with capacity from zero to 50 kilowatts and installed capacity by technology type across each region. The highest proportion of installations and total capacity was focused around the South West, South East and East of England, with the lowest around Wales, the North East and London.

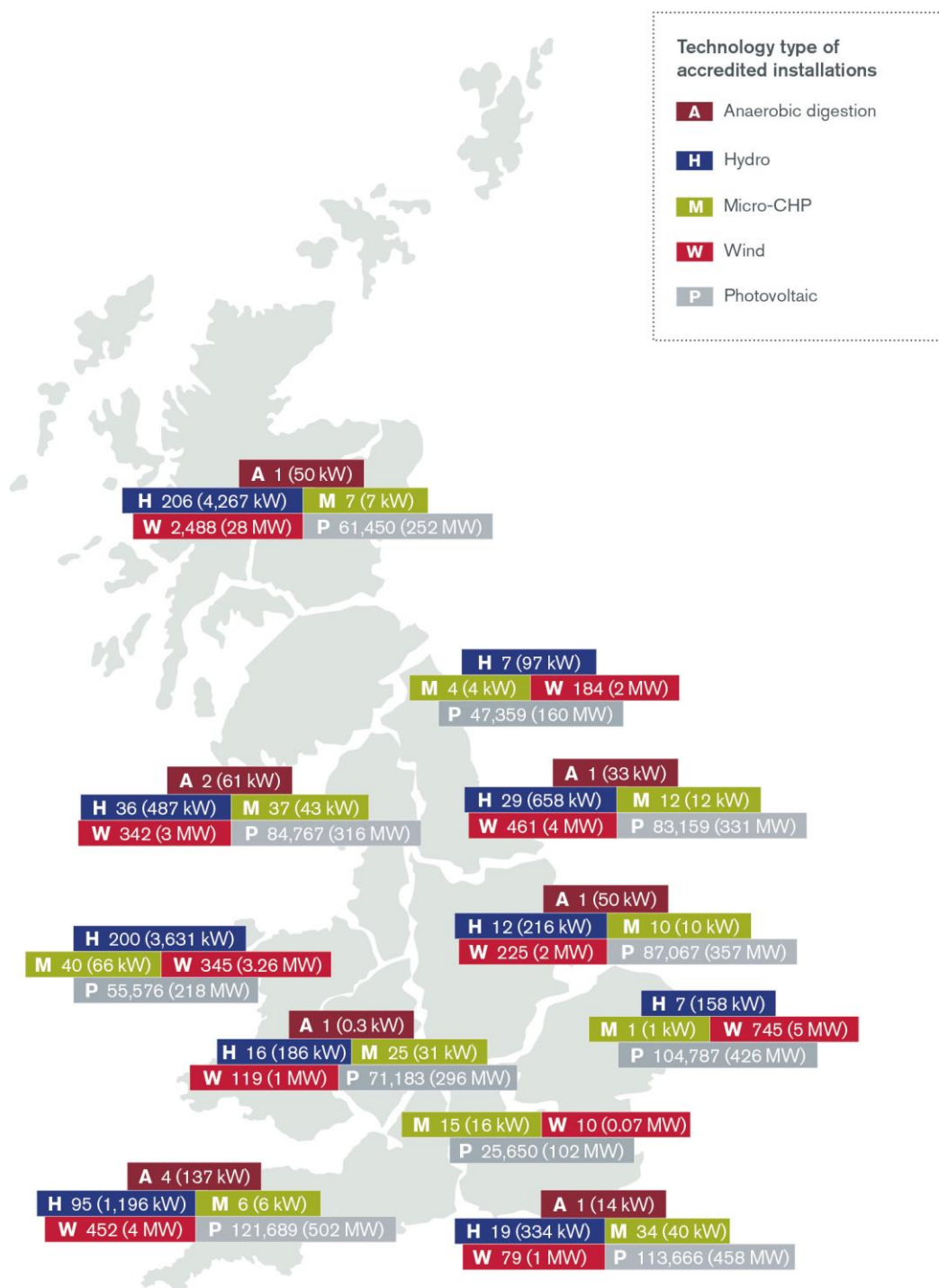
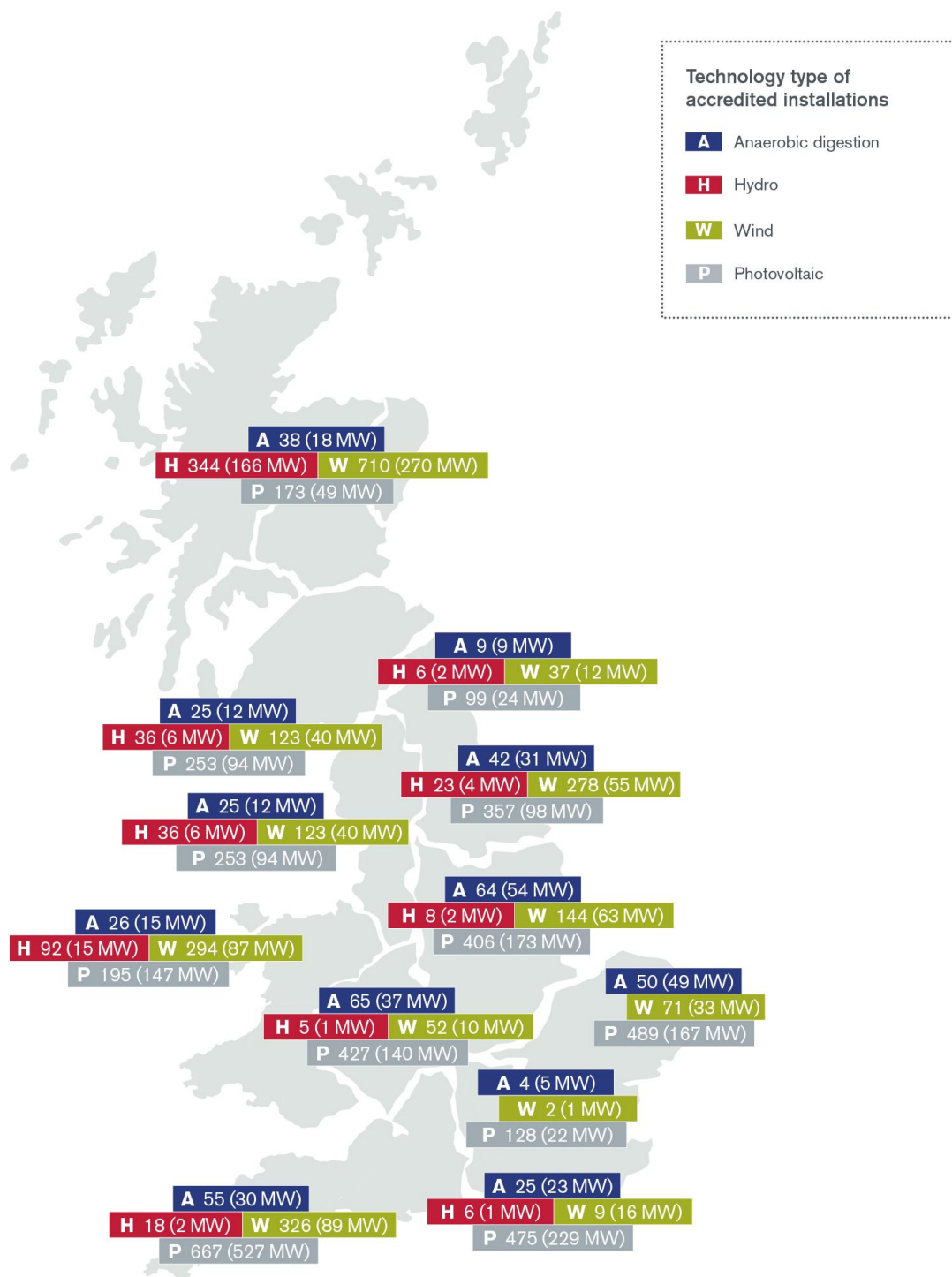


Figure 1.3 Distribution of FIT installations (and installed capacity) by technology type (Capacity >50kW)

Map of the UK showing the distribution of FIT installations with capacity greater than 50 kilowatts and installed capacity by technology type across each region. The highest proportion of installations and total capacity was focused in Scotland and the South West, with the lowest around the North East and London.

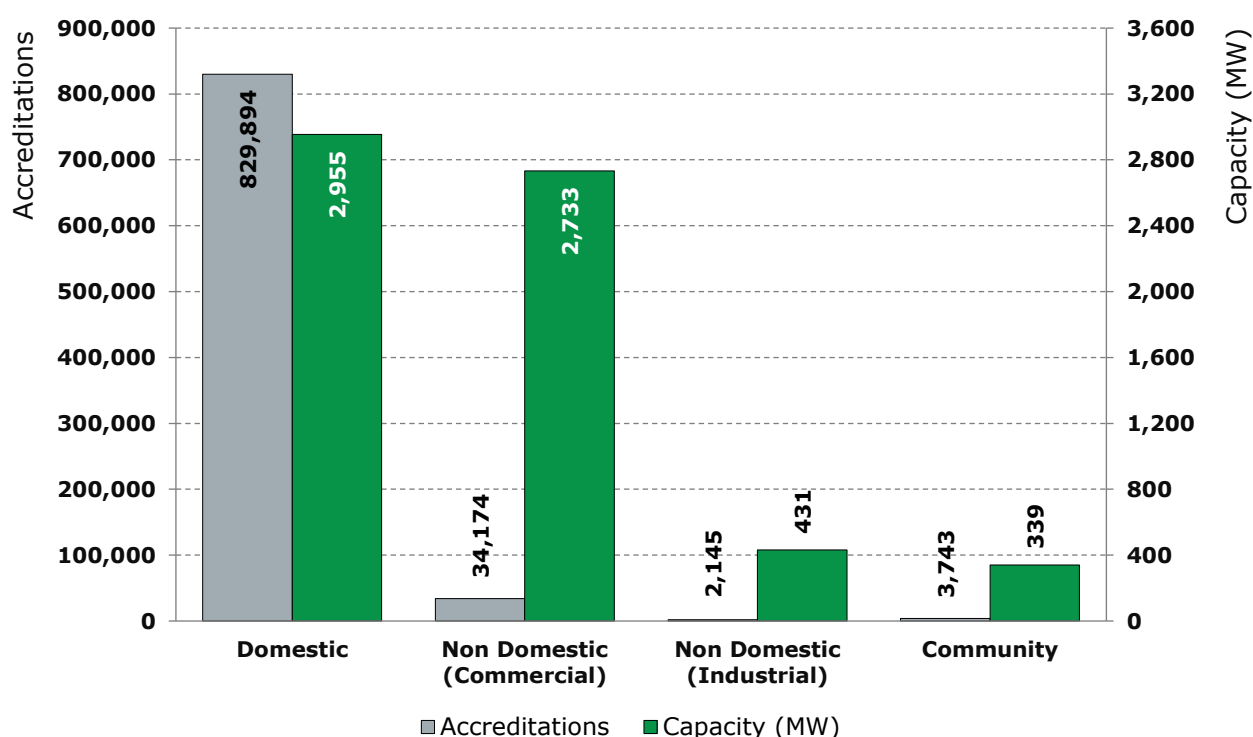


Installation setting

1.8 Applicants are required to state the setting type where their installation is located during the application process.¹⁸ As shown in **Figure 1.4**, domestic installations continue to account for the largest proportion of scheme accreditations (95.39%) and capacity (45.75%). As illustrated by the graph, the average size of domestic installations is typically smaller than for other installation types. Domestic installations are followed by Non Domestic (Commercial) installations with a slightly lower proportion of capacity (42.32%) and much lower share of accreditations (3.93%).

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

Column chart showing the number of accreditations and capacity by installation setting. Domestic and Non Domestic (Commercial) form the majority of accreditations, however the average accredited capacity for Domestic is only 3.6kW, compared the to 200.9kW for Non Domestic (Industrial) and to the 90.6kW for Community installation settings.



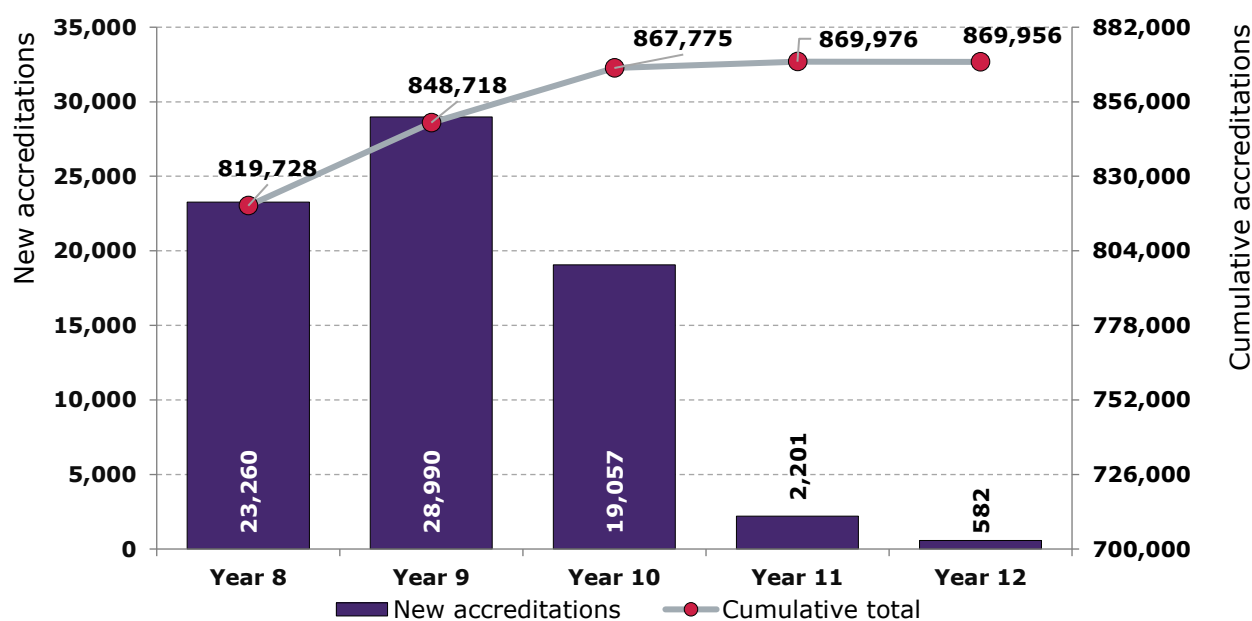
¹⁸ With exception of the 'Community' installation type, this choice is subjective but provides insight into the type of installations being registered under the scheme. The term 'Community' is defined in the FIT Order 2012 (as amended) Article 11.

New registrations

- 1.9 Although the scheme closed to new applicants from 1 April 2019, full and convert-to-full (CTF) applications¹⁹ that originally registered in previous FIT years could be processed and achieve accreditation in SY12, appearing as new registrations. In addition, ROO-FIT²⁰ installations for which a preliminary accreditation application was made on or before 31 March 2019 could still be accredited and registered during SY12 if they were eligible for an available grace period. These included the automatic addition of a 12-month validity period extension for community and school applications, as well as preliminary applications. For SY12, only hydro preliminary applications were anticipated since the extended validity periods/grace period had completed for all other technologies.

Figure 1.5 New Installations accredited – SY8-12

Combined column and line chart showing the annual and cumulative total new installations accredited from SY8 to SY12. The low number of new accreditations in Year 12 is indicative of the small number of applications eligible for grace periods, being accredited after scheme closure. The cumulative accreditation total has levelled off since SY10 and fell slightly in SY12.



¹⁹ Full applications are those made for installations that have or shortly will commission. CTF applications are made for approved preliminary applications that have or shortly will commission. For more information please refer to our [Essential guide to applying for ROO-FIT accreditation](https://www.ofgem.gov.uk/publications/essential-guide-applying-roo-fit-accreditation): <<https://www.ofgem.gov.uk/publications/essential-guide-applying-roo-fit-accreditation>>

²⁰ ROO-FIT is the accreditation pathway used on the FIT scheme for solar PV and wind installations with a capacity greater than 50kW, and for all hydro and anaerobic digestion installations.

- 1.10 A total of 582 new accreditations were added to the CFR in Year 12, bringing the cumulative total to just below 870,000.²¹ **Figure 1.5** shows the number of new accreditations, which given accreditations were limited to the exceptions described above, continues to fall following scheme closure. Accreditations from this year onwards consist of pre-registered hydro community and school applicants that originally applied by 31 March 2019.

Installation eligibility periods

- 1.11 A number of micro-CHP installations reached the end of their ten-year eligibility period (as set out in the standard licence conditions)²² during SY12. 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, 243 micro-CHP installations with a combined capacity of 242.8kW 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.

²¹ The number of new registrations in SY12 (582) is different from the increase in active installations on the CFR (20) 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.

²² [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

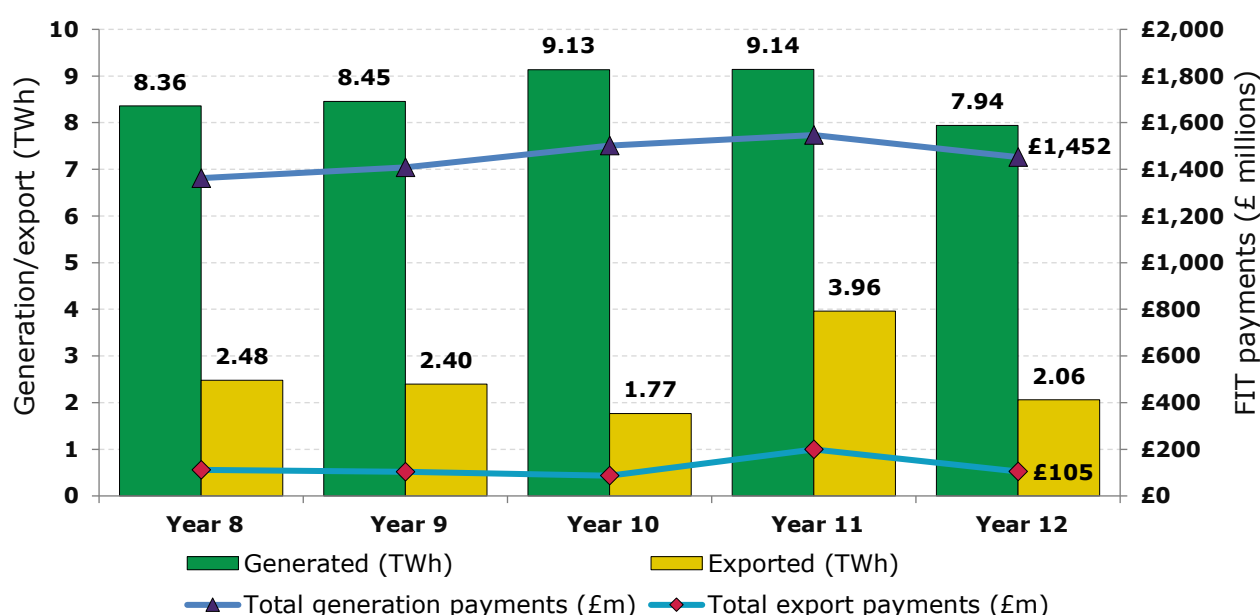
2. FIT Scheme Costs

SY12 payment overview

- 2.1 The cost of the FIT scheme to licensed electricity suppliers – which is equal to the total levelisation fund – has decreased since SY11. The total levelisation fund for SY12 was around £1.27 billion, a decrease of around £330 million on the previous year.
- 2.2 As shown in **Figure 2.1** total generation payments made decreased by around £96 million, from almost £1.55 billion in SY11 to £1.45 billion in SY12. This is due to a decrease in generation on the scheme compared with SY11 (falling from 9.14 TWh to 7.94 TWh). Electricity exported also fell from around 3.96 TWh in SY11 to 2.06 TWh in SY12.

Figure 2.1 Electricity generated, exported and associated payments, SY8-12

Combined column and line chart showing the changes in electricity and payment figures on the scheme from SY8 to SY12. Generation has gradually risen from SY8 to SY11, then falling in SY12. Export has fluctuated from SY8 to SY12. The payments made per TWh of generation were £5 million higher in SY12 (£196.1 million) than in SY11 (£191.1 million).



- 2.3 This is the first decrease in generation payments since scheme launch and the first decrease in export payments since SY10. We believe this is due to a combination of factors including some metered Generators moving to rates offered outside of the FIT that offer a higher return. In addition, a number of micro-CHP accreditations have now reached the end of their support period contributing to an overall decline in the number of participants receiving FIT payments.

Calculating net export payments

- 2.4 The value of net export payments, 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.
- 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 (TIC) of the installation is 30kW or less and no export meter is installed. This percentage is set annually by government (for SY12 it was 75% for hydro and 50% for all other technologies).²³
- 2.6 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)²⁴.
- 2.7 Net export payments were negative for the first time since the FIT launched. This is due to the actual value of the export being significantly higher than the price paid for the export under the FIT scheme. This has resulted in the overall cost of the scheme reducing which is beneficial to consumers who ultimately pay for the scheme.

Table 2.1 Net export payment calculations, SY12

| | Deemed export | Metered export | Total |
|--|----------------------|---------------------|----------------------|
| Export payments to FIT Generators (A) | £59,740,112 | £45,244,129 | £104,984,242 |
| Value to FIT Licensees (B) | £177,266,424 | £124,391,481 | £301,657,905 |
| Net export payments (A - B) | -£117,526,311 | -£79,147,351 | -£196,673,663 |

Calculating the Levelisation Fund

- 2.8 The total levelisation fund is determined by adding up the following costs of the scheme incurred by licensed electricity suppliers – the value of generation payments made to

²³ [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>

²⁴ [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>

FIT Generators, net export payments (as detailed in the previous section), and Licensees' qualifying FIT (administration) costs. The calculation is set out in **Table 2.2**.

2.9 The total levelisation fund for SY12 was around £1.27 billion, a decrease of around £330 million on the previous year.

Table 2.2 Scheme cost calculations, SY12

| Cost | Total | Description |
|---|-----------------------|--|
| Generation payments (A) | £1,451,893,160 | The total value of payments made to accredited Generators for electricity generation. |
| Net deemed and metered export payments (B) | -£196,673,663 | The difference between the cost of export payments made and the value of those exports to Licensees (ie how much a FIT supplier can gain by selling the electricity. N.B. A negative value indicates a financial gain for FIT Licensees). See Table 2.1 for details of how this figure was calculated. |
| Qualifying FIT costs (C) | £17,895,145 | 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) | £1,273,114,642 | The cost of the scheme to licensed electricity suppliers in Year 12 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) | £2,205,463 | Ofgem's total administration costs. For more information, see paragraph 2.15. This cost is not included in levelisation and is paid for through general taxation. |
| <u>Total Scheme cost</u> (D + E) | £1,275,320,105 | This is the total cost of the scheme in Year 12 and is reached by adding Ofgem's administrative costs to the value of the levelisation fund. |

Levelisation

2.10 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 export²⁵, 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.

2.11 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.

2.12 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)²⁶. **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).

²⁵ 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.

²⁶ [Information on exemptions for EIIs:](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094666/cfd-ro-fit--exemption-guidance-revised-july-2022.pdf)

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094666/cfd-ro-fit--exemption-guidance-revised-july-2022.pdf>

Table 2.3 Relevant electricity supplied, SY12

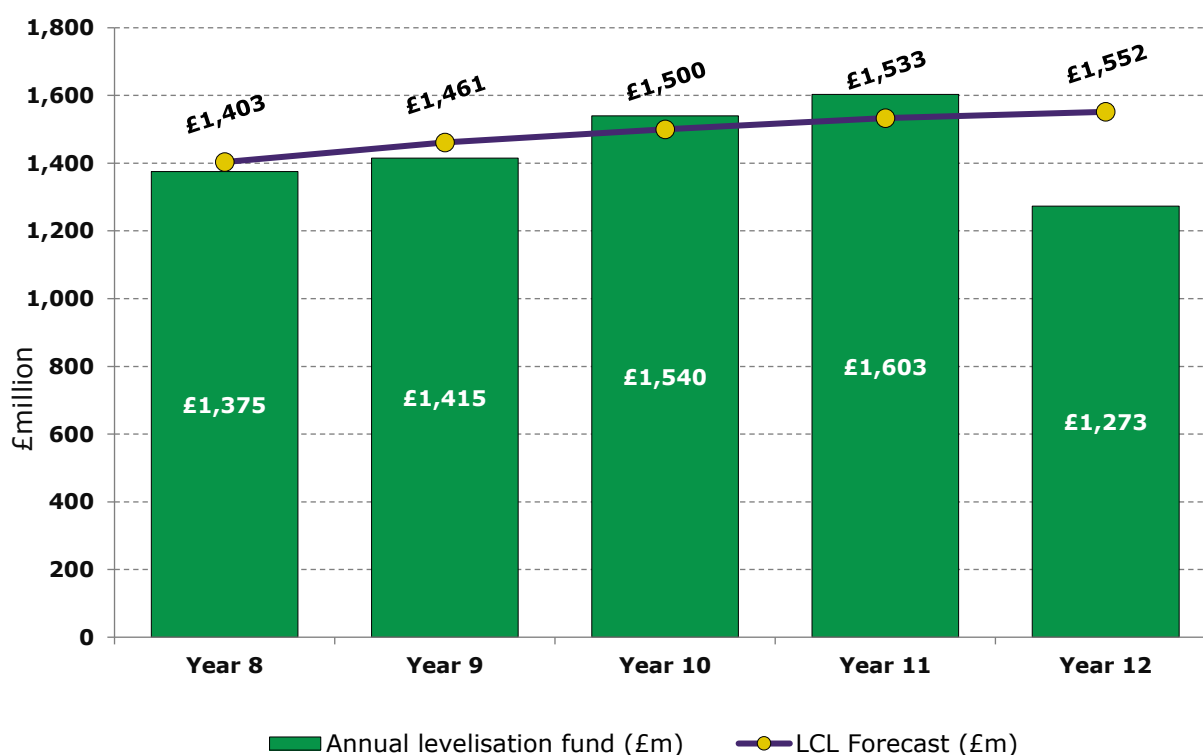
| Supply Volume | Total (MWh) | Description |
|---|--------------------|---|
| Total supply (A) | 262,274,786 | Total electricity supplied to customers within GB |
| Additional supply (B) | 2,704,849 | Additional supply to account for suppliers that exited the market during the year |
| Exempt supply for Guarantees of Origin (GoOs) (C) | 13,072,919 | Total renewable electricity supplied to customers within GB, sourced from outside the UK and validated by Ofgem was 30,401,848 MWh. For Year 12 this was capped at 13,072,918.74 MWh, meaning that the cap for SY12 was breached by 17,328,929.26 MWh. As Ofgem will only exempt the amount of renewable electricity up to the cap, suppliers who submitted a value will have received a lower exemption. |
| Exempt supply for Energy Intensive Industries (EIIs) (D) | 10,340,665 | Total renewable electricity supplied to Energy Intensive Industries |
| <u>Total Relevant electricity supplied</u> (A + B) – (C + D) | 241,566,051 | The total amount of electricity supplied that is liable for the costs of the FIT scheme |

Cost controls

2.13 As part of government's commitment to keep energy costs as low as possible, the 'Control for low carbon levies'²⁷ (the Control) monitors the costs of low carbon electricity schemes (including FIT) and provides a forecast of total FIT scheme costs. The Control sets out that there will be no new low carbon electricity levies on energy bills until the value of such costs is falling. **Figure 2.2** shows the annual levelisation fund fell below 'the Control' forecast for the FIT scheme in SY12 by approximately £279 million (18%). This is the first time since SY6 where the levelisation fund has fallen so significantly below 'the Control' forecast.

Figure 2.2 Levelisation Fund vs The Control Forecast – SY8-12

Combined column and line chart showing the annual levelisation fund against the Control forecast from SY8 to SY12. SY12 saw a significant gap between the annual levelisation fund and the Control forecast, with the levelisation fund falling below the Control forecast for the first time since SY9.



²⁷ 'The Control' refers to The Control Low Carbon Levies which replaced Levy Control Framework (LCF). For more information, see: [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>>

Value of the FIT scheme

2.14 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. A breakdown of these elements is shown in **Figure 2.4 (a-d)**. In SY12 the value of the scheme was £1.575 billion, which is a decrease of £189 million on the total from last year. This is due in part to metered Generators on standard FIT export tariffs opting out of the export portion of the FIT, for privately negotiated tariffs outside of the scheme. This led to a decrease in the amount of metered export payments from £139 million in SY11 to £45 million in SY12.

Figure 2.3 FIT scheme value, SY1-12

Column chart showing the total value of the FIT scheme since launch. The value rose rapidly between SY1 and SY7 before continuing to grow at a reduced rate, reaching a peak of £1,764 million in SY11. The value fell for the first time in SY12 by approximately 10.8%.

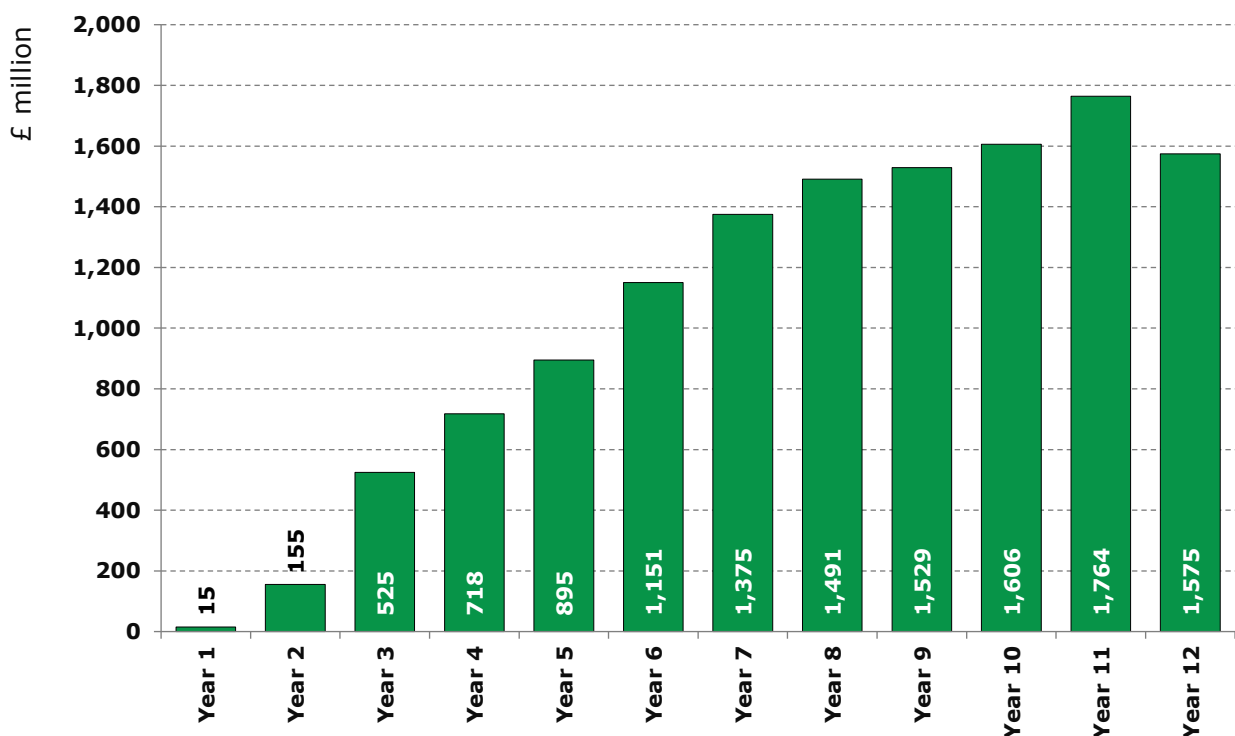
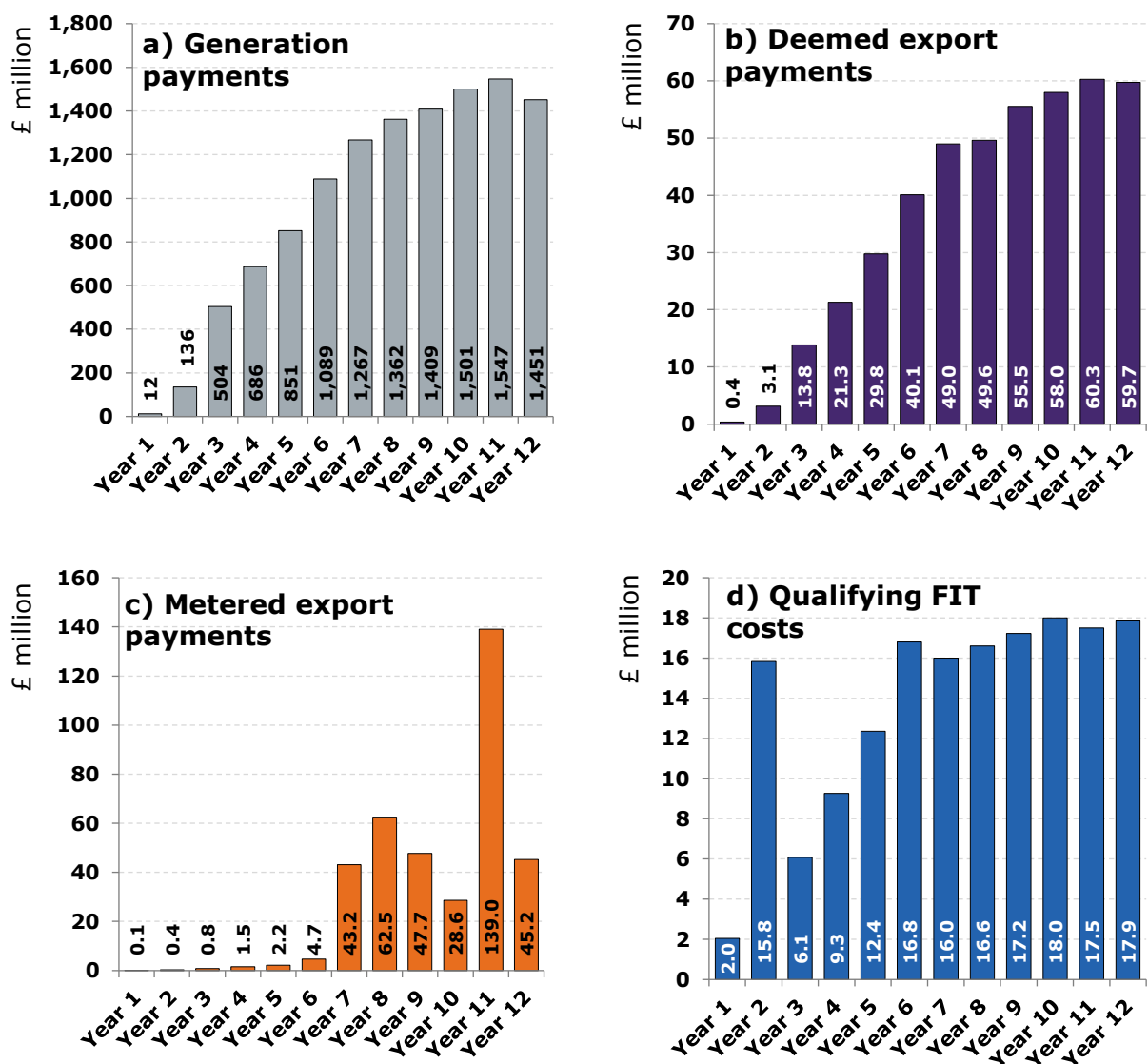


Figure 2.4 (a-d) Total value of the FIT scheme - breakdown

These four column charts detail the four elements that combined make up the value of the FIT scheme. Generation and deemed export payments mirror the profile of total value of the FIT scheme, having grown every year since scheme launch and falling for the first time in SY12. Metered export payments saw a significant rise in SY7 growing from £4.7 million in SY6 to £43.2 million in SY7. They have fluctuated from this point forwards reaching a peak of £139 in SY11, before falling again to £45 million in SY12. Qualifying FIT Costs have remained in the range of £16 and £18 million between SY6 and SY12.

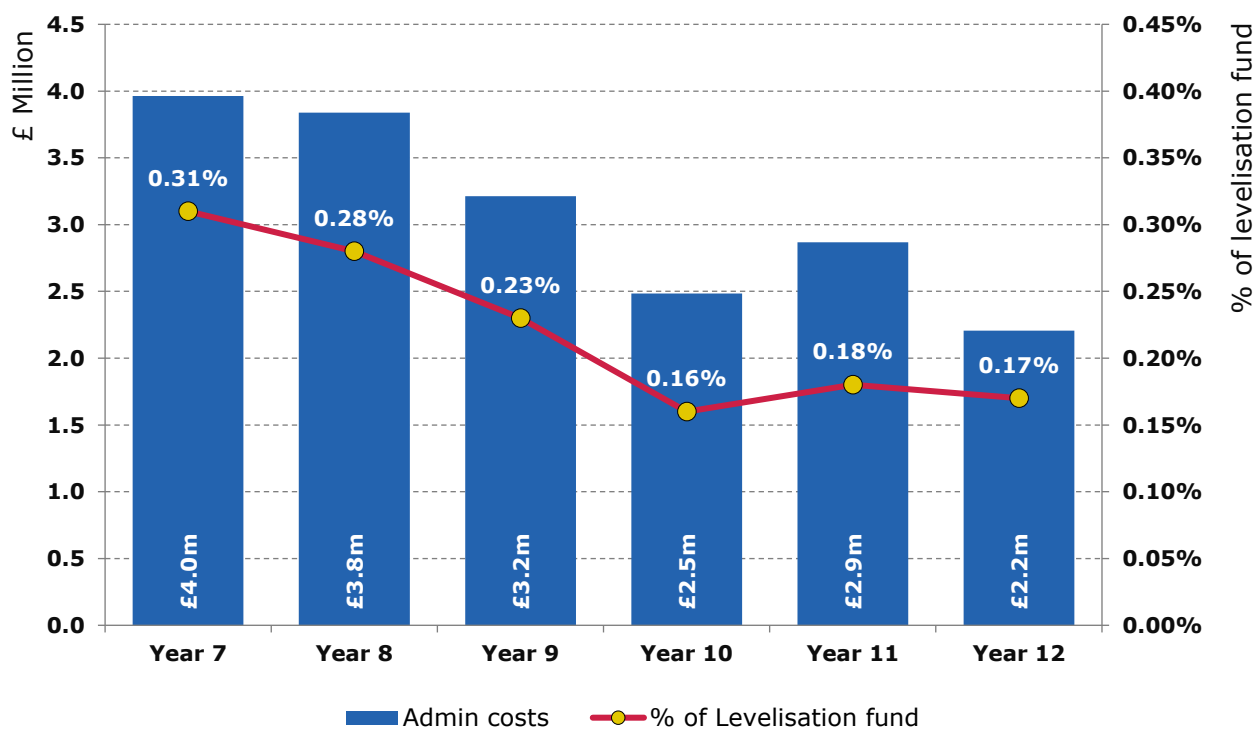


Ofgem's administration costs

- 2.15 **Figure 2.5** shows that in SY12 our administrative costs decreased by just over £660,000 from SY11 to around £2.2 million. This reduction can largely be attributed to a fall in application processing volumes following scheme closure to new applicants.
- 2.16 Our administrative costs equate to 0.17% of the levelisation fund. These costs cover our staffing and all the activities we undertake to ensure the successful operation of the scheme. For example, our audit and compliance activity, the processing of amendments and remaining applications, as well as the maintenance and development of the CFR and Renewable Electricity Register (RER)²⁸.

Figure 2.5 Administrative costs, SY7-12

Combined column and line graph showing our administrative costs for the FIT and the equivalent proportion of the levelisation fund from SY7 to SY12. Our costs steadily fell from the equivalent of 0.31% of the levelisation fund in SY7 to 0.16% in SY10. Smaller variations have occurred since SY10, with a small rise in SY11 followed by small reduction to 0.17% in SY12.



²⁸ Ofgem is redeveloping the Renewables and CHP Register, currently used by Ofgem to administer our renewable electricity schemes.

3. Compliance of Licensed Electricity Suppliers

SY12 non-compliance summary

- 3.1 As part of our role administering the FIT scheme, we work to ensure that electricity suppliers comply with their FIT scheme obligations. Suppliers are required through the FIT scheme to meet obligations for both Generators and suppliers. Where suppliers fail to meet their obligations we publish this information in the Supplier Performance Report (SPR).²⁹ We monitor compliance across a number of key areas which are summarised here and covered in more detail below.
- 3.2 During SY12, we continued to see instances of non-compliance related to periodic and annual levelisation.
- 3.3 In total, 132 instances were recorded on the SPR related to late submission of data, misreporting of data, as well as late and incorrect payments being made. Towards the end of SY12 Ofgem opened investigations into Good Energy and F&S Energy as we received information suggesting they had been unfairly charging administration fees to Generators. Good Energy engaged constructively with this process and ultimately agreed to refund £453,000 as well as a further £200,000 in additional compensation.³⁰ F&S Energy agreed to refund £94,040 as well as a further £50,000 in additional compensation.
- 3.4 We have also seen the number of suppliers in the market, and hence participating in the FIT scheme, decrease during SY12. Twenty-seven suppliers exited the market during SY12 leaving outstanding periodic and annual FIT levelisation payments worth £1.56 million, however this was not sufficient to trigger mutualisation.³¹
- 3.5 The proportion of Licensees verifying over 80% or 90% of meters also fell in SY12 despite allowing Generators to provide photographic evidence for verification. As verification has a direct impact on when Generators receive payments, we expect Licensees to meet these obligations in a timely way and will be increasing our expectations here in SY13.
- 3.6 The proportion of 'Good' (71.4%) and 'Satisfactory' (14.3%) audit ratings for Licensees increased in SY12 whilst the proportion of 'Unsatisfactory' (14.3%) ratings decreased.

²⁹ [Information on the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

³⁰ Further information on this case can be found on the Ofgem website, see: [Energy customers who produce renewable energy to get £800,000 compensation](https://www.ofgem.gov.uk/publications/energy-customers-who-produce-renewable-energy-get-ps800000-compensation) <<https://www.ofgem.gov.uk/publications/energy-customers-who-produce-renewable-energy-get-ps800000-compensation>>

³¹ The mutualisation threshold for Year 12 was approximately £4.5 million.

No Licensees received a 'Weak' rating during the reporting period. These audits were carried out to ensure information submitted to us by suppliers was accurate and that their processes were sufficiently robust.

FIT Licensees and annual notifications

- 3.7 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.
- 3.8 All Licensees complied with their obligation to notify us of their FIT status by the deadline during SY12.

Table 3.1 Number of FIT Licensees, SY7-12

| Licensee Type | SY7 | SY8 | SY9 | SY10 | SY11 | SY12 |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Voluntary | 36 (29) | 39 (32) | 43 (34) | 25 (25) | 24 (21) | 20 (16) |
| Mandatory | 19 (10) | 24 (13) | 27 (19) | 22 (19) | 23 (20) | 21 (18) |
| Total | 55 (39) | 63 (45) | 70 (53) | 47 (44) | 47 (41) | 41 (34) |

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).

- 3.9 As seen in **Table 3.1** the number of suppliers in the market – and in turn suppliers participating in the FIT scheme – has continued to fall over SY11 and SY12. In SY12 there were 34 supplier groups under 41 licenses participating in the scheme.

Levelisation compliance

- 3.10 **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 SY12. Late submissions increased from 28 incidents in SY11 to 56 in SY12, and incorrect submissions increased from 45 incidents in SY11 to 76 in SY12. The increase in incorrect levelisation submissions 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, SY12

| | Q1 | Q2 | Q3 | Q4 | Annual |
|-------------------------|----------|-----------|----------|----------|-----------|
| Voluntary FIT Licensees | 0 | 0 | 0 | 0 | 3 |
| Mandatory FIT Licensees | 1 | 3 | 1 | 0 | 2 |
| Non-FIT Licensees | 4 | 9 | 2 | 7 | 24 |
| Totals | 5 | 12 | 3 | 7 | 29 |

Table 3.3 Number of incorrect levelisation submissions, SY12

| | Q1 | Q2 | Q3 | Q4 | Annual |
|-------------------------|----------|-----------|-----------|----------|-----------|
| Voluntary FIT Licensees | 0 | 2 | 3 | 1 | 4 |
| Mandatory FIT Licensees | 6 | 2 | 6 | 2 | 8 |
| Non-FIT Licensees | 2 | 8 | 15 | 4 | 13 |
| Totals | 8 | 12 | 24 | 7 | 25 |

3.11 The number of instances of unpaid levelisation payments by suppliers remained similar to the numbers for SY11 as suppliers continued to exit the market into SY12. Levelisation rounds from Quarter One to Quarter Three all experienced a shortfall in the fund, though there was no shortfall in Quarter Four. Mutualisation³² was not triggered as the shortfalls were less than the £4.5 million mutualisation threshold for SY12.

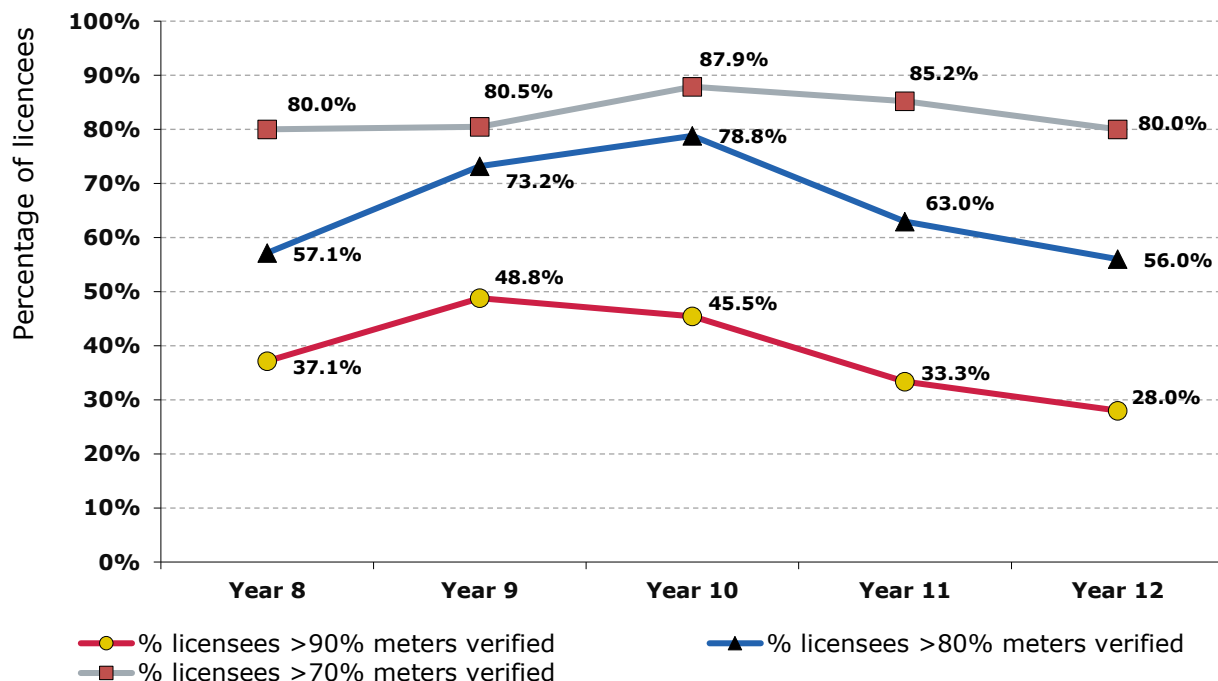
Biennial meter read verifications

3.12 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.

³² [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>>

Figure 3.1 Biennial meter verification - Licensee performance, SY8-12

Line graph showing Licensee BMV performance from SY8 to SY12. The percentage of suppliers verifying at least 90% of meters within two years has been falling since SY9 (from 48.8% to 28.0%). The percentage verifying at least 80% of meters has also been falling but since SY10 (from 78.8% to 56.0%). The percentage verifying at least 70% of meters has also been falling since SY10 but the variation is less significant (from 87.9% to 80.0%).



3.13 **Figure 3.1** shows Licensee BMV performance from SY8 to SY12. The total number of Licensees continues to fall, as does the number of Licensees managing to verify at least 90% of meters within two years.

3.14 We open compliance cases with poorly performing Licensees and outline our concerns, setting key metrics and dates for improving their performance. In Year 12 we targeted the poorest performing Licensees first, obtaining their improvement plans and maintaining regular contact for updates on their scores. This has yielded some success with 13 Licensees at the time of writing having scores above 90%. We expect Licensees to be proactive in managing their scheme compliance and reporting, and hold them to account where this is not the case.

FIT Licensee audits

3.15 Seven FIT Licensees were audited during SY12. 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.

3.16 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.

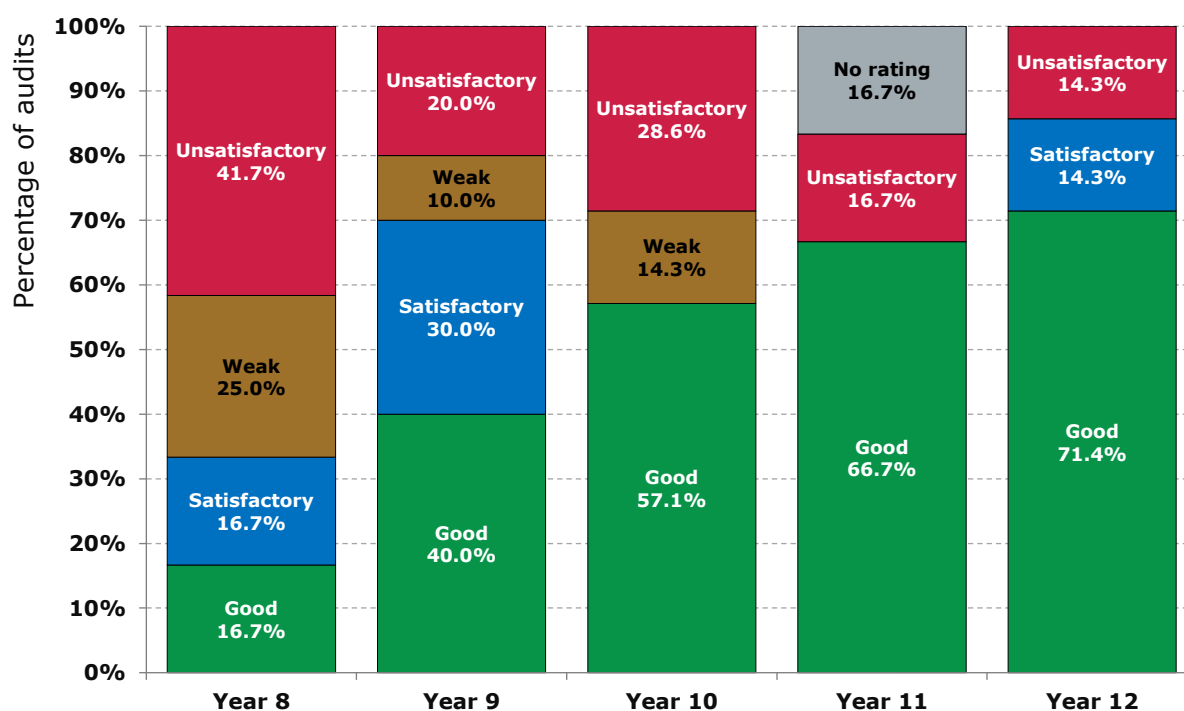
3.17 Each audit is given a rating depending on the outcome of the audit based upon a risk assessment carried out by the auditor. For example:

- **'Unsatisfactory'** audits identified numerous exceptions, including those graded as 'medium' or 'major', which individually or collectively may impact negatively on the overall level of compliance.
- **'Weak'** identified several exceptions which individually or collectively may impact negatively on the overall level of compliance.
- **'Satisfactory'** identified a small number of exceptions, of which none were graded 'major', and were reported to the Supplier to make improvements in operating procedures.
- **'Good'** either had no exceptions or if there are any, these were reported to the Supplier to address minor shortcomings in operating procedures or meet best practice.

3.18 The percentage of audits being given each rating for SY8 to SY12 can be seen in **Figure 3.2** below.

Figure 3.2 FIT Licensee audit scores, SY8-12

Stacked column chart showing the percentage of audits being awarded each rating from SY8 to SY12. The proportion of 'Good' ratings has risen steadily since SY8 reaching 71.4% in SY12. The proportion of 'Unsatisfactory' ratings have gradually decreased from SY10 onward whilst 'Satisfactory' and 'Weak' have fluctuated throughout.



3.19 Of the seven audits conducted in SY12, five (71.4%) received an assurance rating of 'Good'. The remainder were 'Satisfactory' or 'Unsatisfactory'.

3.20 The proportion of 'Weak' and 'Unsatisfactory' audits decreased from 16.7% in SY11 to 14.3% in SY12, with no 'Weak' audit ratings for 2021-22. The main reasons³³ for audits having an assurance rating of 'Unsatisfactory' in SY12 were:

- Incorrect payment figures submitted to Ofgem,
- Poor record keeping, and
- Documents containing inaccurate information.

3.21 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

³³ More audit information including supplier names and subsequent action can be found in the Supplier Performance Report (SPR): [Supplier Performance Report \(SPR\)](https://www.ofgem.gov.uk/supplier-performance-report-spr) <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

areas where they have fallen short. Our expectation is that the audit recommendations are implemented, and any concerns raised are resolved.

Enforcement

3.22 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 Guidelines³⁴.

3.23 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 SY12, Ofgem took the following enforcement action in respect of suppliers on the FIT scheme:

Issue of a Provisional Order to the following supplier in respect of its failure to make its Year 12 Annual FIT Levelisation payment by the deadline:

- Symbio Energy (Order revoked as supplier has since ceased trading)³⁵

Issue of Provisional Orders to the following suppliers in respect of their failure to make their Year 12, Quarter 2 periodic FIT Levelisation payment by the deadline:

- Whoop Energy (Provisional Order was confirmed on 26 January 2022, however the Order was subsequently revoked as the supplier ceased to trade)³⁶
- Simply Your Energy/Entice (Order revoked as supplier has since ceased trading)³⁷
- Social Energy Supply (Order revoked as supplier has since ceased trading)³⁸
- Delta Gas and Power (Order revoked as supplier subsequently submitted its payment)³⁹
- Orbit Energy (Order revoked as supplier has since ceased trading)⁴⁰

³⁴ [Ofgem's Enforcement Guidelines](https://www.ofgem.gov.uk/publications/enforcement-guidelines): <<https://www.ofgem.gov.uk/publications/enforcement-guidelines>>

³⁵ [Symbio Energy Provisional Order](https://www.ofgem.gov.uk/publications/symbio-energy-limited-provisional-order): <<https://www.ofgem.gov.uk/publications/symbio-energy-limited-provisional-order>>

³⁶ [Whoop Energy Provisional Order](https://www.ofgem.gov.uk/publications/whoop-energy-provisional-order): <<https://www.ofgem.gov.uk/publications/whoop-energy-provisional-order>>

³⁷ [Simply Your Energy Provisional Order](https://www.ofgem.gov.uk/publications/simply-your-energy-ta-entice-energy-provisional-order): <<https://www.ofgem.gov.uk/publications/simply-your-energy-ta-entice-energy-provisional-order>>

³⁸ [Social Energy Supply Provisional Order](https://www.ofgem.gov.uk/publications/social-energy-supply-limited-provisional-order): <<https://www.ofgem.gov.uk/publications/social-energy-supply-limited-provisional-order>>

³⁹ [Delta Gas and Power Provisional Order](https://www.ofgem.gov.uk/publications/delta-gas-and-power-provisional-order): <<https://www.ofgem.gov.uk/publications/delta-gas-and-power-provisional-order>>

⁴⁰ [Orbit Energy Provisional Order](https://www.ofgem.gov.uk/publications/orbit-energy-limited-provisional-order): <<https://www.ofgem.gov.uk/publications/orbit-energy-limited-provisional-order>>

4. Compliance of FIT Generators

FIT Generator audits

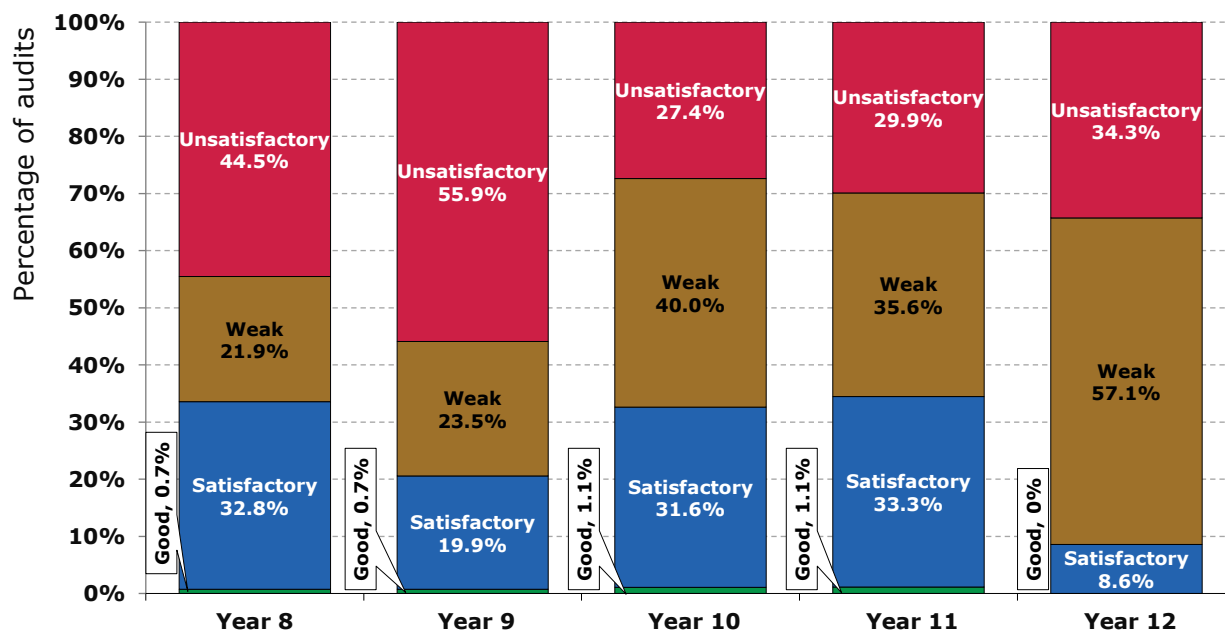
4.1 In SY12 we audited 70 ROO-FIT generating stations. The purpose of these audits is to identify and deter potential non-compliance with scheme requirements. Similar to previous years, all 70 audits were targeted based on known areas of risk. These audits were conducted to determine the accuracy of 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, SY8-12

Stacked column chart showing FIT Generator audit scores from SY8 to SY12. Since SY10 'Weak' ratings have formed the largest proportion of audit scores whilst 'Unsatisfactory' ratings have risen from 27.4% to 34.3%. 'Satisfactory' ratings reached their lowest point in SY12 making up 8.6% of the total, whilst 'Good' ratings have been consistently around 1% of audits except in SY12 where no audits were rated 'Good'.



- 4.3 **Figure 4.1** shows the percentage of audits receiving each rating between SY8 and SY12. In SY12, six stations were assigned a rating of 'Satisfactory'. The remaining 64 stations (91.4%) were rated either 'Weak' or 'Unsatisfactory'. A high proportion of 'Weak' and 'Unsatisfactory' assurance ratings was expected as all 70 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 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 serious consequences including 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 further 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)⁴¹. Where appropriate, to prevent payments being made incorrectly, we may decide to suspend FIT Payments before a compliance decision has been finalised.
- 4.7 In SY12, a total of 150 new investigations were opened, a significant increase from the 12 investigations opened in SY11. This increase is due to the implementation of a new process⁴² for referring cases from our audit programme. Under the new process, audit

⁴¹ [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>>

⁴² More information on these changes can be found on the Ofgem website: [Audits of Renewables Obligation \(RO\) Generating Stations 2022/23](https://www.ofgem.gov.uk/publications/audits-obligation-ro-generating-stations-202223) <<https://www.ofgem.gov.uk/publications/audits-obligation-ro-generating-stations-202223>>

findings are assessed against a list of non-compliances which allows potential financial non-compliances to be quickly identified.

- 4.8 There are also 29 legacy cases remaining from 75 cases opened as part of an investigation into several installers in SY9. These investigations are associated with high-risk areas of the scheme, as such we expect them to take a considerable amount of time before they can be closed.
- 4.9 Of the 17 investigations we closed in SY12, four resulted in compliance action:
 - 4.9.1 Three investigations resulted in the withdrawal of an installation's FIT accreditation as the information we were originally provided was incorrect in a material particular.⁴³ In each case the materially incorrect information related to the installation's commissioning date. We instructed the FIT Licensees to recover all FIT payments already made and no further payments were to be made to the FIT installations. The value of these compliance decisions was £1,186,065 prevented error, and a total of £53,132 detected error which was recouped by the FIT Licensee.⁴⁴
 - 4.9.2 One of the investigations resulted in a change of tariff as the information we were originally provided was incorrect. The materially incorrect information related to the installation's commissioning date. The value of this compliance decision was £7,061 prevented error. We also instructed the Licensee to withhold FIT Payments worth £1,012 from the installation until overpayments have been recouped.
- 4.10 All of the installations that were the subject of compliance action in SY12 were solar photovoltaic (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.

Counter Fraud

- 4.11 During SY12, we received 25 referrals for suspected fraud on the FIT scheme. This is a reduction on previous years which can likely be attributed to the closure of the scheme to new applicants.

⁴³ A 'material particular' refers to a piece of information which is significant enough to decide a disputed issue.

⁴⁴ For more information on prevented and detected error please refer to the section on safeguarding public funds.

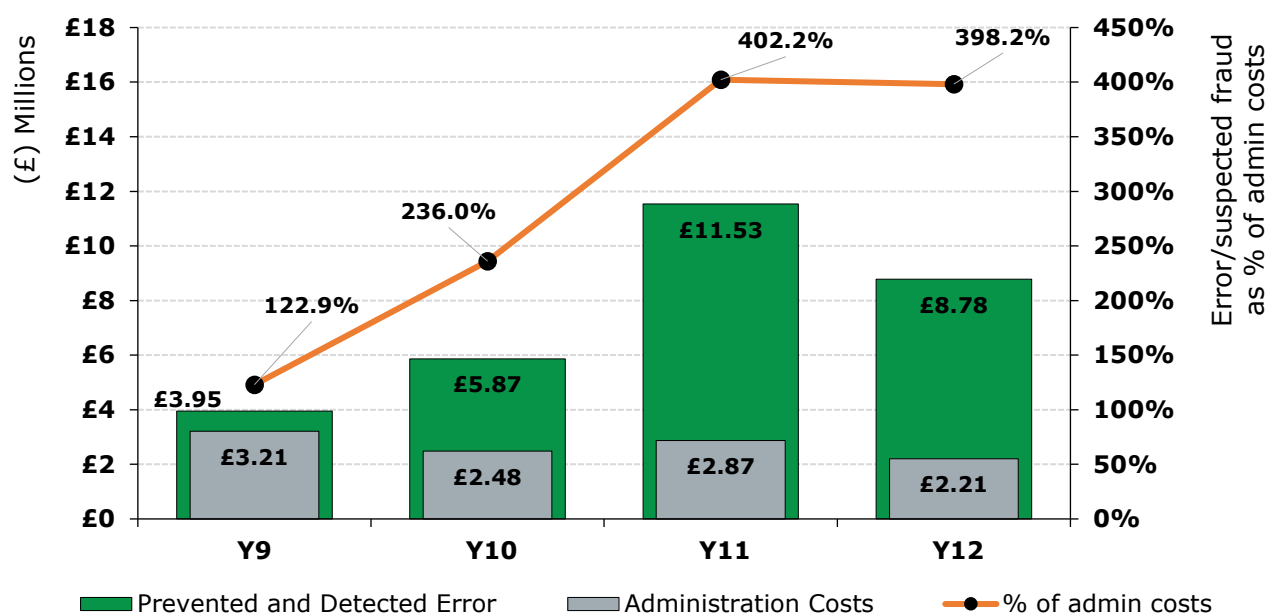
- 4.12 The 25 referrals represented more than 20 sites. Of these, 18 referrals came from FIT Licensees or other external parties, and seven were made internally where suspicions were raised following an audit, or during the course of our other operational work. Four suspected fraud cases were opened as a result of these referrals, these were closed with no action taken. The cases were closed because there was insufficient evidence to support the original suspected fraud allegation.

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 has 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 £8.78 million being identified during SY12. Of this, we prevented approximately £8.72 million being paid out incorrectly and we detected a further £58,391 that was paid to participants who were not eligible to receive it. The sum of £8.78 million is smaller than the £11.53 million identified during SY11. This was mainly due to a fall in the 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, SY9-12

Combined column and line chart showing prevented and detected error against Ofgem's administration costs. The value of prevented and detected error has consistently been higher than our administration costs. This gap peaked in SY11 where our administration costs were £2.87 million but through our work we identified £11.53 million in prevented and detected error. For SY12, although a slight reduction from SY11, prevented and detected error was almost 400% higher than our total scheme administration cost.



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 website⁴⁵ and below we give more detailed information elaborating on some of the work we have done administering the scheme during SY12.

Application processing (ROO-FIT⁴⁶)

Table 5.1 Summary of application processing, SY12

| CTF Applications Received | Amendments Received | Applications Approved | Applications Refused | Value of Refused Applications |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| 45 | 126 | 76 ⁴⁷ | 13 | £3,997,357 |

- 5.3 **Table 5.1** shows we received 45 convert-to-full (CTF) applications in SY12, down from 49 in SY11. These were all hydro applications, which was the only technology that remained eligible to submit CTF applications in SY12.
- 5.4 The number of CTF hydro applications anticipated in March 2022, reflecting the use being made of the coronavirus extension, was only one third of those anticipated. Six hydro applicants claimed the grid delay grace period due to the unavailability of Distribution Network Operator (DNO) staff as they responded to storm damage during February and March 2022. The grace period allows a claim to be made up to 12 months after the end of the validity period and it is possible more may claim but there's currently no indication this will happen.

⁴⁵ [Scheme performance indicators](https://www.ofgem.gov.uk/environmental-and-social-schemes): <<https://www.ofgem.gov.uk/environmental-and-social-schemes>>

⁴⁶ ROO-FIT is the accreditation pathway used on the FIT scheme for solar PV and wind installations with a capacity greater than 50kW, and for all hydro and anaerobic digestion installations.

⁴⁷ The number of applications approved represents ROO-FIT applications that were approved by Ofgem. Non-ROO-FIT applications are processed by Licensees.

- 5.5 A total of 13 applications worth £3,997,357 were refused during SY12, slightly lower than the 16 refused in SY11. In each case the applications were refused as they did not meet the requirements of the scheme.

Communities and Schools

- 5.6 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-FIT⁴⁸ pathway. The status verification process confirms the eligibility of ROO-FIT applicants.
- 5.7 The pre-registration for community and school installations pathway closed as of 31 March 2021.
- 5.8 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)

- 5.9 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.
- 5.10 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.
- 5.11 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)⁴⁹. 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. This is classified as an approved request.

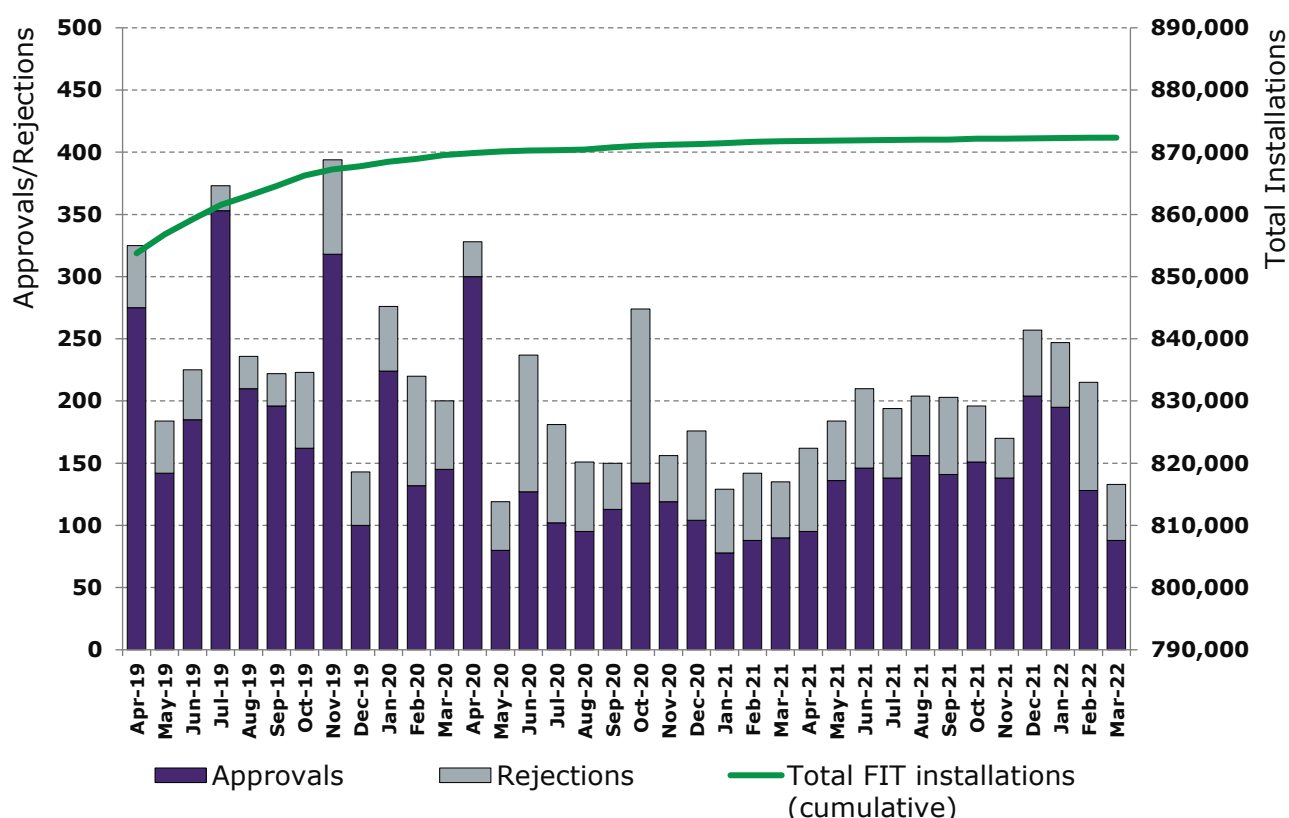
⁴⁸ MCS-FIT is the accreditation pathway used on the FIT scheme for solar PV and wind installations with a capacity of 50kW or less.

⁴⁹ [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 incorrect information on the change request submitted by the FIT Licensee.
- The request was rejected by Ofgem due to the FIT Licensee not following the correct submission process.

Figure 5.1 Monthly CFR change request approvals and rejections vs total installations

Combined stacked column and line chart showing monthly CFR taskbar approvals and rejections alongside the cumulative total of installations on the FIT from April 2019 to March 2022. The chart includes all installations on the CFR as the total. Approval/rejection volumes have generally remained below 250 per month since October 2020. The average rejection rate also fell from 34.34% in April 2020 to March 2021 to 27.75% April 2021 to March 2022.



5.12 **Table 5.2** shows that throughout SY12, we processed a total of 2,375 change requests on the CFR, of which 1,716 (72.25%) were approved. Of the approved requests, 28.6% were needed to correct data that had been incorrectly entered into the CFR by suppliers. These incidents were subsequently added to the SPR. The remaining 71.4% 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 659 of the change requests which were submitted, 132 (20.03%) of these rejected requests were added to the SPR due to incorrect information being submitted by the FIT Licensee.

Table 5.2 Taskbar approvals and rejections SY10-12

| | SY10 | SY11 | SY12 |
|------------------------|--------------|--------------|--------------|
| SPR Approvals | 1,182 | 482 | 491 |
| Non-SPR Approvals | 1,256 | 967 | 1,225 |
| Approved Total | 2,438 | 1,449 | 1,716 |
| SPR Rejections | 146 | 125 | 132 |
| Non-SPR Rejections | 430 | 592 | 527 |
| Rejections Total | 576 | 717 | 659 |
| Total Processed | 3,014 | 2,166 | 2,375 |

Enquiries

5.13 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**, 950 telephone calls and 1,386 email enquiries were received in SY12.

Table 5.3 Number of FIT Enquiries by Type, SY12

| | KPI | Received | Met KPI | Performance |
|---------------------|--|-----------------|----------------|--------------------|
| Telephone enquiries | 85% of calls answered/no more than 15% abandoned | 950 | 930 | 97.89% |
| Email enquiries | 80% of email enquiries responded to within 10 working days | 1,386 | 1,379 | 99.49% |

5.14 We exceeded our performance targets for enquiries in SY12, with 97.89% of telephone enquiries answered, and 99.49% of email enquiries receiving a response within 10 working days.

6. Looking Forward

- 6.1 Though the FIT closed to new registrations as of 1 April 2019, work is still required to process a number of preliminary accreditations or pre-registrations which were eligible for extension. The FIT provides generation and export payments over a 20-year period meaning we will continue to service participants up until 31 March 2042. Over this period, we will continue to ensure that the processes supporting the scheme remain effective and we will continue to publish this report annually.
- 6.2 To ensure that Licensees continue to fulfil their obligations and only Generators who continue to meet scheme rules receive payments, we will be actively monitoring supplier and participant compliance. In part, this is achieved through a requirement for annual declarations to be submitted by Licensees, and our extensive audit programme. This, along with the counter fraud measures that we continue to implement ensures that tariffs are only paid for eligible renewable electricity generation and export. This helps make sure the scheme is delivered in a fair and effective way for consumers.
- 6.3 Following on from the closure of the FIT, the Smart Export Guarantee (SEG)⁵⁰ launched on 1 January 2020. The SEG is a government-backed initiative available to the same technology types and with the same maximum capacity as the FIT scheme, and ensures homes and businesses with small-scale electricity generation can receive payment for the surplus low-carbon electricity they export to the National Grid.

⁵⁰ [Information on the SEG](https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg>>

Appendices

Appendix 1: Mandatory and Voluntary Licensees

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

| Supplier Group | Electricity Supply Licence |
|----------------------------------|----------------------------------|
| Affect Energy Limited | Affect Energy Limited |
| 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 Energy Solutions Limited | E.ON UK plc |
| E.ON Next Energy Limited | E.ON Next Energy Limited |
| EDF Energy Customers Ltd | EDF Energy Customers Ltd |
| Edgware Energy Limited | Edgware Energy Limited |
| Electricity Plus Supply Ltd | Electricity Plus Supply Ltd |
| Npower Ltd | Npower Ltd - GB |
| Npower Ltd | Npower Northern Limited |
| Npower Ltd | Npower Yorkshire Limited |
| Octopus Energy Limited | Octopus Energy Limited |
| Ovo Energy | Ovo Electricity Ltd |
| People's Energy (Supply) Limited | People's Energy (Supply) Limited |
| ScottishPower Energy Retail Ltd | ScottishPower Energy Retail Ltd |
| Shell Energy Retail Ltd | Shell Energy Retail Ltd |
| Shell Energy UK | Shell Energy UK |
| SSE Electricity Limited | SSE Electricity Limited |
| Utilita Electricity Limited | 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 |
| Conrad Energy (Trading) Limited | Conrad Energy (Trading) Limited |
| Coulomb Energy Supply Limited | Coulomb Energy Supply Limited |
| Drax Energy Solutions Limited | Drax Energy Solutions Limited |
| ECOTRICITY LIMITED | ECOTRICITY LIMITED |
| ENGIE Power Ltd | ENGIE Power Limited |
| F & S Energy Ltd | F & S Energy Limited |
| Good Energy Ltd | Good Energy Ltd |
| Green Energy Limited | Green Energy Limited |
| Igloo Energy Supply Limited | Igloo Energy Supply Limited |
| Limejump Energy Limited | Limejump Energy Limited |
| Opus Energy Ltd | Donnington Energy Limited (copy 1) |
| Opus Energy Ltd | Farmoor Energy Limited |
| Opus Energy Ltd | Opus Energy (Corporate) Limited |
| Opus Energy Ltd | Opus Energy Ltd |
| Opus Energy Ltd | Opus Energy Renewables Limited |
| TotalEnergies Gas & Power | TotalEnergies Gas & Power |
| Tradelink Solutions Ltd | Tradelink Solutions Ltd |
| 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 12

| Licensee | Total generation payments made | Total export payments made | Total payments |
|---------------------------------|--------------------------------|----------------------------|--------------------------|
| Arto.Energy Limited | £8,908,793.95 | £1,575,569.49 | £10,484,363.44 |
| British Gas Trading | £148,497,079.90 | £12,987,247.79 | £161,484,327.69 |
| Bulb Energy Ltd | £906,896.84 | £243,163.47 | £1,150,060.31 |
| Drax Energy Solutions Limited | £967,114.67 | £41,062.33 | £1,008,177.00 |
| E.ON Energy Solutions Ltd | £117,673,379.94 | £9,325,447.44 | £126,998,827.38 |
| E.ON Next Energy Limited | £215,298,174.80 | £21,314,658.19 | £236,612,832.99 |
| ECOTRICITY LIMITED | £75,683,706.25 | £7,844,611.75 | £83,528,318.00 |
| EDF Energy Customers Ltd | £185,255,257.00 | £10,639,259.20 | £195,894,516.20 |
| Electricity Plus Supply Ltd | £11,917,647.44 | £1,068,626.75 | £12,986,274.19 |
| ENGIE Power Limited | £23,831,701.61 | £612,198.02 | £24,443,899.63 |
| F & S Energy Limited | £25,749,422.03 | £661,670.13 | £26,411,092.16 |
| Good Energy Ltd | £209,151,569.37 | £15,476,726.81 | £224,628,296.18 |
| Green Energy Limited | £4,188,827.57 | £321,532.41 | £4,510,359.98 |
| Limejump Energy Limited | £16,444,640.87 | £688,584.94 | £17,133,225.81 |
| Octopus Energy Limited | £7,470,741.01 | £445,617.25 | £7,916,358.26 |
| Opus Energy Renewables Limited | £138,691,604.36 | £3,465,129.28 | £142,156,733.64 |
| Ovo Electricity Ltd | £3,399,579.54 | £661,206.45 | £4,060,785.99 |
| ScottishPower Energy Retail Ltd | £64,535,684.10 | £5,450,707.26 | £69,986,391.36 |
| Shell Energy Retail Ltd | £6,472,967.53 | £996,814.17 | £7,469,781.70 |
| Shell Energy UK | £23,287.74 | £11,387.06 | £34,674.80 |
| SSE Electricity Limited | £140,608,202.15 | £9,802,458.48 | £150,410,660.63 |
| TotalEnergies Gas & Power | £45,718,494.96 | £1,318,930.22 | £47,037,425.18 |
| Utilita Electricity Ltd | £79,602.27 | £21,268.67 | £100,870.94 |
| Valda Energy Limited | £418,783.84 | £10,364.27 | £429,148.11 |
| Totals | £1,451,893,159.74 | £104,984,241.83 | £1,556,877,401.57 |

Appendix 3: Non-compliance by suppliers

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

| Licensee | Type | Period |
|---------------------------------|------------------|--------|
| Affect Energy Limited | Mandatory | Q1 |
| ALABAMA ENERGY | Non-FIT Licensee | Q1 |
| Dual Energy Direct Limited | Non-FIT Licensee | Q1 |
| Home Energy Trading Ltd | Non-FIT Licensee | Q1 |
| Dodo Energy Limited | Non-FIT Licensee | Q1 |
| Arruzzi Energy Supply Limited | Non-FIT Licensee | Q2 |
| BGI Trading Limited | Non-FIT Licensee | Q2 |
| Dyce Energy Limited (PROZ) | Non-FIT Licensee | Q2 |
| Farringdon Energy Limited | Non-FIT Licensee | Q2 |
| Home Energy Trading Ltd | Non-FIT Licensee | Q2 |
| Dodo Energy Limited | Non-FIT Licensee | Q2 |
| Npower Commercial Gas Limited | Non-FIT Licensee | Q2 |
| Npower Ltd - GB | Mandatory | Q2 |
| Npower Northern Limited | Mandatory | Q2 |
| Npower Yorkshire Limited | Mandatory | Q2 |
| Omni Energy Ltd | Non-FIT Licensee | Q2 |
| Pozitive Energy Ltd | Non-FIT Licensee | Q2 |
| EQUIN | Non-FIT Licensee | Q3 |
| Home Energy Trading Ltd | Non-FIT Licensee | Q3 |
| Utilita Electricity Ltd | Mandatory | Q3 |
| Cilleni Energy Supply Limited | Non-FIT Licensee | Q4 |
| Delta Gas And Power Ltd | Non-FIT Licensee | Q4 |
| Euston | Non-FIT Licensee | Q4 |
| Farringdon Energy Limited | Non-FIT Licensee | Q4 |
| Home Energy Trading Ltd | Non-FIT Licensee | Q4 |
| Paddington Power Limited | Non-FIT Licensee | Q4 |
| Vattenfall Energy Trading GmbH | Non-FIT Licensee | Q4 |
| Ampoweruk Ltd | Non-FIT Licensee | Annual |
| Arruzzi Energy Supply Limited | Non-FIT Licensee | Annual |
| Avro Energy Limited | Mandatory | Annual |
| CNG Electricity Limited | Non-FIT Licensee | Annual |
| Eddington Energy Supply Limited | Non-FIT Licensee | Annual |
| Enstroga Ltd | Non-FIT Licensee | Annual |

| | | |
|----------------------------------|------------------|--------|
| Gas and Power Ltd | Non-FIT Licensee | Annual |
| GOTO Energy (UK) Limited | Non-FIT Licensee | Annual |
| Green Supplier Limited | Non-FIT Licensee | Annual |
| Igloo Energy Supply Limited | Voluntary | Annual |
| Kensington Power Limited | Non-FIT Licensee | Annual |
| MA Energy Ltd | Non-FIT Licensee | Annual |
| MONEYPLUS ENERGY LIMITED | Non-FIT Licensee | Annual |
| Neon Reef Limited | Non-FIT Licensee | Annual |
| Omni Energy Ltd | Non-FIT Licensee | Annual |
| Orbit Energy Limited | Non-FIT Licensee | Annual |
| People's Energy (Supply) Limited | Mandatory | Annual |
| PFP Energy | Non-FIT Licensee | Annual |
| Pure Planet Limited | Non-FIT Licensee | Annual |
| Regent Power Ltd | Non-FIT Licensee | Annual |
| Shell Energy Supply UK Limited | Non-FIT Licensee | Annual |
| Simply Your Energy Limited | Non-FIT Licensee | Annual |
| Social Energy Supply Ltd | Non-FIT Licensee | Annual |
| Symbio Energy LTD | Non-FIT Licensee | Annual |
| Tradelink Solutions Ltd | Voluntary | Annual |
| Utility Point Ltd | Non-FIT Licensee | Annual |
| Whoop Energy Ltd. | Non-FIT Licensee | Annual |
| Zebra Power Limited | Voluntary | Annual |
| Zog Energy Limited | Non-FIT Licensee | Annual |

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

| Licensee | Type | Period ⁵¹ |
|---------------------------------|------------------|----------------------|
| E.ON Next Energy Limited | Mandatory | Q1 (x3) |
| EDF Energy Customers Ltd | Mandatory | Q1 (x2) |
| Omni Energy Ltd | Non-FIT Licensee | Q1 |
| Shell Energy UK | Mandatory | Q1 |
| Smartest Energy | Non-FIT Licensee | Q1 |
| Affect Energy Limited | Mandatory | Q2 |
| Brook Green Trading Limited | Non-FIT Licensee | Q2 |
| CNG Electricity Limited | Non-FIT Licensee | Q2 |
| Conrad Energy (Trading) Limited | Voluntary | Q2 |
| ENGIE Power Limited | Voluntary | Q2 |
| Flextricity | Non-FIT Licensee | Q2 |
| Kensington Power Limited | Non-FIT Licensee | Q2 (x3) |
| Octopus Energy Limited | Mandatory | Q2 |
| Ørsted Power Sales (UK) Limited | Non-FIT Licensee | Q2 |
| Total Gas & Power UK | Non-FIT Licensee | Q2 |
| Affect Energy Limited | Mandatory | Q3 |
| BGI Trading Limited | Non-FIT Licensee | Q3 |
| Brook Green Trading Limited | Non-FIT Licensee | Q3 (x2) |
| Business Power and Gas Limited | Non-FIT Licensee | Q3 |
| Delta Gas and Power Ltd | Non-FIT Licensee | Q3 |
| Drax Energy Solutions Limited | Voluntary | Q3 |
| ESB Energy Limited | Non-FIT Licensee | Q3 |
| Euston | Non-FIT Licensee | Q3 |
| Farringdon Energy Limited | Non-FIT Licensee | Q3 |
| Good Energy Ltd | Voluntary | Q3 |
| Kensington Power Limited | Non-FIT Licensee | Q3 |
| Octopus Energy Limited | Mandatory | Q3 (x5) |
| Opus Energy Ltd | Voluntary | Q3 |
| Ørsted Power Sales (UK) | Non-FIT Licensee | Q3 |
| Regent Power Ltd | Non-FIT Licensee | Q3 |
| Sinq Power Limited | Non-FIT Licensee | Q3 |
| Smartest Energy | Non-FIT Licensee | Q3 (x2) |

⁵¹ Where a supplier has made more than one incorrect data submission in a period, the number is shown in brackets.

| | | |
|---------------------------------|------------------|--------------------|
| SmartestEnergy Business Limited | Non-FIT Licensee | Q3 |
| Affect Energy Limited | Mandatory | Q4 |
| Brook Green Trading Limited | Non-FIT Licensee | Q4 |
| E.ON Energy Solutions Ltd | Mandatory | Q4 |
| ENGIE Power Limited | Voluntary | Q4 |
| Foxglove Energy Supply Limited | Non-FIT Licensee | Q4 |
| MAXEN POWER SUPPLY LIMITED | Non-FIT Licensee | Q4 |
| Sinq Power Limited | Non-FIT Licensee | Q4 |
| Brook Green Trading Limited | Non-FIT Licensee | Annual (x2) |
| E.ON Next Energy Limited | Mandatory | Annual (x8) |
| Eneco Energy Trade BV | Non-FIT Licensee | Annual (x2) |
| ENGIE Power Limited | Voluntary | Annual (x2) |
| F & S Energy Limited | Voluntary | Annual |
| Good Energy Ltd | Voluntary | Annual |
| Kensington Power Limited | Non-FIT Licensee | Annual (x2) |
| Logicor Energy Limited | Non-FIT Licensee | Annual |
| Paddington Power Limited | Non-FIT Licensee | Annual |
| Pozitive Energy Ltd | Non-FIT Licensee | Annual (x2) |
| Sinq Power Limited | Non-FIT Licensee | Annual |
| United Gas & Power Trading Ltd | Non-FIT Licensee | Annual |
| Vattenfall Energy Trading GmbH | Non-FIT Licensee | Annual |

Table A3.3 Late levelisation payments per supplier

| Licensee | Type | Period |
|--------------------------------|------------------|--------|
| Cilleni Energy Supply Limited | Non-FIT Licensee | Q1 |
| Home Energy Trading Ltd | Non-FIT Licensee | Q1 |
| BGI Trading Limited | Non-FIT Licensee | Q2 |
| Total Gas & Power UK | Non-FIT Licensee | Q2 |
| AXPOUK Limited | Non-FIT Licensee | Q3 |
| Vattenfall Energy Trading GmbH | Non-FIT Licensee | Q4 |
| Toucan Energy Limited | Non-FIT Licensee | Q4 |

Table A3.4 Late audit reports

| Licensee | Type | Period |
|--------------------------------------|-----------|--------|
| E.ON Next Energy Limited | Mandatory | Annual |
| Limejump Energy Limited | Voluntary | Annual |
| TotalEnergies Gas & Power | Voluntary | Annual |

Appendix 4: Annual Determinations

BEIS makes determinations every year so that we can administer the scheme.⁵² The following determinations were made in operation of SY12 covering 1 April 2021 to 31 March 2022.

The percentage of electricity from each technology deemed to be exported

75% for hydro and 50% for all other technology types.

Table A4.1 How Licensees' are compensated for their administrative costs (Qualifying Costs)

| Type of Licensee | Qualifying FITs costs per Generator |
|--|-------------------------------------|
| Large FIT Licensee (New Generator) | £10 |
| Large FIT Licensee (Ongoing Generator) | £15 |
| Small FIT Licensee (New Generator) | £25 |
| Small FIT Licensee (Ongoing Generator) | £30 |

The collar and cap range for mutualisation payments.

For SY12, the mutualisation trigger range shall be a lower limit of £4,523,000 and a higher limit of £45,232,000.

⁵² [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>>

Appendix 5: 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/uksi/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/uksi/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/uksi/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 (v16) on the Ofgem website:

[Link to Feed-in Tariffs: Guidance for renewable installations \(v16\)](#)

<<https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-renewable-installations-version-16>>

Appendix 6: 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 (BEIS) 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 of 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 (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-Combined Heat and Power (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 (AD) 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.