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Dear Arthur Cooke

Response to the Consultation on the regulatory implications of domestic-scale microgeneration

Good Energy is pleased that Ofgem is considering issues related to microgeneration as we feel that there is significant room for improvement in the current processes which make it difficult for the owners of microgeneration to receive a financial benefit for their electricity and for suppliers to give it to them.

Section 5: Selling Exports form Microgeneration

Good Energy feels it is important to note that it is possible for renewable microgenerators to spill electricity but still receive the financial benefit of the ROC. However at present the administrative process for claiming ROCs is so complex that it is very difficult for the owner of the microgenerator to claim the ROCs. The generator has to go through the same accreditation process as a large scale generator. This discourages the owner from going through this process and also discourages suppliers from purchasing the ROCs.

We would support a move to simplify the administrative process for microgenerators to become ROC accredited. This could be in the form of automatic accreditation for pre-approved microgenerator technologies and renewable technologies generally up to 100 kW.

Section 6: Microgeneration Providers

Good Energy gets a large number of questions from people who have very limited understanding of microgeneration and who find it difficult to get this information from installers. In many cases

customers then contact suppliers, such as ourselves and we refer these customers on to other organisations and try and clarify for customers who is responsible for what stage of their installation. Rather than being passed on from one person to another, it would simplify the process if there was a central information point on the obligation and requirements for microgenerators.

We think that a really good start to this process would be a general guidance sheet on Ofgem's website listing the responsibilities for small scale microgenerators, including what agreements they need to have in place and what are the responsibilities of their installer, the local distribution network operation and their supplier. It would also be helpful to have contact details for the relevant departments in the local distribution company. Another level of improvement could be attained by providing a general accreditation service for installers, to try and prevent "cowboy" installers entering the market and undermining the industry.

We also believe that current export/onsite tariffs available to microgeneration are not:

- Transparent, or;
- Consistent.

We think it is really important to have an independent consumer body, like Energywatch, to provide transparent export/onsite tariff comparisons to reduce the confusion in this market.

Section 7: Licensed Suppliers and Microgeneration

Reverse-running meters

Good Energy agrees that as a general principle reverse running meters are not appropriate. However we feel that Ofgem should consider having an exemption to this rule for very small microgenerators (1-2 kW). Most of the time installing a NHH export meter on these sites is not economically viable, and having an option to have a reversing meter for the smallest sites which will have minimal export, could make them far more viable.

Publication of information to customers

Good Energy feels that owners of microgenerators are not always aware of the implications of having additional supply numbers, which may include standing charges and potential confusion between meters. Unless the registers are clearly marked on an import/export meter it is very likely that the customer will not know which meter to read and will provide inaccurate own reads,

and indeed Data Collectors may also have problems with providing the correct meter readings (ask any supplier!). This is particularly an issue when a new occupier moves into a home that already has an export supply number and they are not aware that there are two meters, one import and one export. This is an issue we have had in the past with HH export meters.

We feel that the supplier who has registered the export MPAN should be obliged to inform the owner of their full Supply Number including the top line to verify that it is an export meter, even if they do not supply the import MPAN.

Prepayment meters

We feel it ought to be possible to install a prepayment meter at a site with microgeneration where the customer requests it for budgeting reasons or where it is needed to recover fuel debt.

Section 8: DNOs and Microgeneration

Good Energy feels that it may be sensible for there to be an obligation on the DNO to inform the supplier of an import MPAN of the installation of a microgenerator. This makes the supplier aware of the situation and they can then decide if the meter operator needs to be informed. It can help stop confusion during the COS (Change of Supplier) process and prevent uncertainty about which MPAN is export and which is import. The supplier may also want to purchase excess electricity from the owner.

We feel it is more sensible to have the notification at this stage rather than only when an export MPAN is created as in some cases it may not be economically viable to install an export meter (see Reverse running meters, Section 7).

Section 10: Metering Issues

Best practice

Good Energy does not consider that the installation of import/export metering is appropriate at all microgeneration sites. Where an export MPAN is in place the supplier is liable for charges with respect to that MPAN. For very small scale microgeneration the installation of an import/export meter may cost more in terms of the installation of the meter and the charges with respect to that meter than the microgenerator will earn in the sale of their excess electricity.

Reverse running

We feel it would be helpful if DNOs could inform the registered supplier of the commission of microgeneration on the premises (see Section 8).

Metering for ROCs

Good Energy would welcome a move to make it possible to use DC meters for ROCs as we feel this will make it easier for microgenerators to claim the ROCs that they are entitled to. We feel this should be coupled with a reduction in the administrative process that is required for ROC accreditation to allow more owners of microgeneration to receive a financial benefit from their investment.

Meter change

We are not aware of any excessive costs for installation of export metering, but we feel that the process has not been well-defined. We would welcome guidelines on the data flows required to install an export meter, including the recommended profile class and SSC.

We have had experience of Meter Operators refusing to install a non half-hourly export meter. We have reported this to Ofgem and we understand that these Meter Operators have now agreed to install NHH export meters but this still seems to be an area of confusion, with some Meter Operators feeling they are not obligated to install NHH export meters.

Good Energy has found that most Meter Operators require ten working days notice to install a meter. This may prohibit same day meter change where the owner has not informed the supplier in advance of their wish to change the meter. We suggest that installers should inform customers of this when they make recommendations on the type of meter to install.

Good Energy feels it would be appropriate for an MPAN to be labelled import or export in the data flows to assist the supplier in recognising export MPANs or reverse running meters in some cases.

Meter reading

Good Energy is in the process of making the changes to our billing processes to enable us to record and transfer meter reading data from import/export meters into our billing process. There should not be any problems in identifying the meter readings provided the Data Collector has

read the meter correctly as registers and meter numbers should be entered. We anticipate that there may sometimes be problems with mis-assigned meter reads in the same way as there is now on multi-meter sites, but that problem should not be excessive.

Whilst we think the installation cost of a meter is not excessive, we believe there is an excessive cost in terms of standing charges and data collection charges for export meters where there is an existing import meter. Because of this we find it is often not economically viable to install an export meter for smaller microgeneration sites.

In Summary

Good Energy would welcome the following improvements in the regulation of microgeneration:

- We believe the administrative process for ROC accreditation for microgeneration should be simplified and if possible there should be pre-qualification for certain technologies.
- We feel there should be guidance on the responsibilities of microgenerators available on the Ofgem website.
- We think there should be an independent body who publishes an evaluation of the export/onsite tariffs available to microgenerators.
- We would welcome guidance on the data flow processes associated with the registration, installation and change of a non half-hourly export meter, as well as the SSC and profile class that should be used.

Yours sincerely

Juliet Davenport
Chief Executive