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ENERGY SUPPLIERS NEED TO RAISE THEIR GAME ON MICROGENERATION

- **Energy suppliers need to act as a one-stop-shop for information to help customers wanting to install microgeneration units**
- **Suppliers should compete to put in place arrangements to help customers wanting to use microgeneration**
- **Ofgem will remove any regulatory barriers to microgeneration and has established a forum to meet microgenerators and further discuss issues**

Energy suppliers have been urged by energy regulator Ofgem to resolve several key issues so that more people can easily generate energy for their own homes.

There are currently some 80,000 microgeneration units in British homes, including roof-top wind turbines and small solar-powered units, but that figure is set to grow as DIY stores are starting to sell the units. Ofgem has asked suppliers to make it easier for people to install the units and sell any surplus electricity they generate back to the electricity networks.

Ofgem wants to see several issues resolved which may currently be hindering growth in microgeneration. They are that:

- Simplified arrangements are needed for people to sell surplus electricity. The current arrangements are too complex for customers to deal with and some are not being paid for power they supply back to networks.
- Suppliers should act as a one-stop-shop for information on how to install microgeneration units and other issues customers need to consider such as health and safety regulations and notifying their local electricity network.
- Suppliers should also help customers obtain meters which can register exports of surplus electricity they may want to sell.

Ofgem Chief Executive, Alistair Buchanan, said: "Ofgem has been identifying issues that are preventing further growth of microgeneration. Suppliers need to compete against each other to raise their game and address these issues so they can respond to the growing numbers of customers that want to generate their own power. If they are unable to successfully do that, then new legislation could force us to set prices and terms for the sale of surplus electricity back to the networks.

"Ofgem will also play its part by removing any regulatory barriers to microgeneration through our review of gas and electricity supply licences. We are also helping to make it easier for microgenerators to claim Renewables Obligation Certificates and we have established a forum to meet microgeneration companies and further discuss issues."

Dave Sowden, Chief Executive of the Micropower Council, said: "The micropower industry welcomes Ofgem's commitment to playing its part in removing regulatory barriers to the uptake of micropower technologies.

"Ofgem's proposals are set to help by encouraging a one-stop-shop for customers in their interface with the electricity industry; removing a significant barrier to energy services, helping to ensure customers get paid appropriately for surplus electricity; allowing micropower customers to access the support schemes they are entitled to; and challenging electricity distributors who charge micropower customers extra.

"The regulator has a key role to play in the wider government strategy for the micropower industry, and we look forward to continued constructive working with Ofgem as it implements this set of proposals."

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Notes to Editors

1. Ofgem has today published the decision document 'Ofgem and Microgeneration: The Next Steps' at www.ofgem.gov.uk

2. The term microgeneration is used to refer to electricity generation equipment of the smallest capacity. At the lower end of the range are microgenerators intended for installation in domestic and small commercial premises. Domestic-scale microgeneration includes a range of technologies that are currently at varying stages of development and commercial availability.

3. Microgeneration units can supply electricity to the home, with surplus amounts being supplied back to local distribution networks. Examples of microgeneration units include:

- small-scale solar technology
- micro-hydro generation
- small wind generators, and
- domestic scale combined heat and power (DCHP) equipment. DCHP boilers are powered by a mains gas supply and provide heating and hot water like a normal boiler. However, they also contain a generator producing electricity from the same gas supply to power domestic equipment such as lights, televisions and hi-fis.

Further information is available in Ofgem's 'Helping Microgeneration Succeed' fact sheet published at www.ofgem.gov.uk

4. Ofgem Chairman, Sir John Mogg, will chair Ofgem's Powering the Energy Debate Seminar on microgeneration on December 13. It will feature speakers from industry and an international perspective on how to further facilitate microgeneration in the market.

5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for amongst others by the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000. In this information note, the functions of the Authority under the relevant Acts are, for simplicity, described as the functions of Ofgem.

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