The role of E-Serve and the New Scheme Development Team

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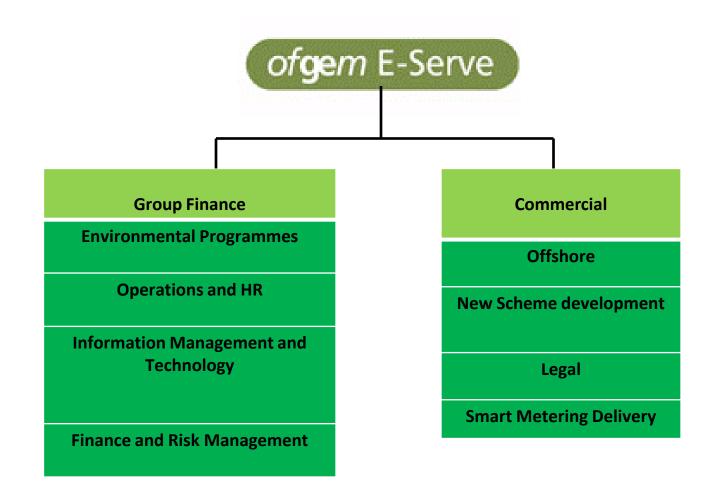


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- E-Serve created September 2009
- To better meet Ofgem's duties and obligations for both today's and also tomorrow's consumer.
- Responsible for Ofgem's support and delivery functions.
- Sustainability key focus



Promoting choice and value for all gas and electricity customers



Responsibilities Include

- Administration of existing environmental programmes: Renewable Obligation (RO), Carbon Emission Reduction Target (CERT) & The Community Energy Saving Programme (CESP)
- Delivery of sustainability projects: offshore transmission, smart meters
- Other new schemes proposed by Government

New Schemes

Feed-In Tariff (FIT)

Renewable Heat Incentive (RHI)

Carbon Capture and Storage

Social Tariffs?

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Purpose of New Scheme Development team

- To set up the processes needed for Ofgem to administer new environmental/sustainability schemes that the Government has asked Ofgem to administer
 - To set these up to be administered as efficiently and effectively as possible
 - To influence policy and legislation to take account of this
 - To ensure these schemes are established to be consistent with broader Ofgem policy (where possible)
- To further develop the processes and administration of existing projects currently administered by Ofgem E-Serve

The Role of E-Serve in administering the Feed-in Tariff

CAVEAT: working assumptions – still to be formally confirmed by DECC

Accreditation of generators:

- sub 50kW wind, solar and fossil-fuel CHP to be accredited through the Microgeneration Certification Scheme (MCS)
- Other generators accredited by Ofgem using the "ROO-FIT" process based on existing RO

Central FIT Register

- Helps ensure compliance, mitigate fraud, find errors & facilitate switching
- Ofgem to build and administer FIT register
- FIT suppliers need to register their customers before paying FITs
- Aiming for temporary version from 1 April, full solution from 1 July

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Role (continued)

Levelisation and cost recovery process

- Financial burden of FITs payments spread over all suppliers
- Ofgem to carry out "Levelisation" process

Monitoring / Securing supplier compliance

- Ofgem have power to enforce license requirements on suppliers
- Expect fraud prevention to be a shared responsibility across all parties

Reporting

Expect public reporting function: eg statistics, Annual Report

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