

Feed-in Tariff Update

In this newsletter, we provide an update on the first twelve months of the Feed-in Tariff scheme. We give an overview of the latest figures for the number of installations that are now participating. This newsletter also gives an overview of the statistics in the fourth quarter (1 January – 31 March 2011) of the scheme. This newsletter is a quarterly publication.



FIT Activity - Key facts

- ▶ By 17 June 2011 42,143 installations had registered to participate in the scheme – this includes both units that have been newly installed since the FIT scheme went live on 1 April 2010 and those that were previously claiming payments under the Renewables Obligation.
- ▶ 30,263 installed renewable installations were registered within the first year of the scheme from 01 April 2010 to 31 March 2011 and represented 108.5 MW of total installed capacity.
- ▶ A total of £4,368,938.32 total FIT payments were due to generators from the fourth levelisation process.

The Feed-in Tariff (FITs) scheme

- The scheme was introduced on 1 April 2010 to promote the uptake of small-scale renewable electricity generation.
- It requires participating licensed electricity suppliers (FIT Licensees) to pay tariffs to generators for electricity generated & exported.
- The scheme is applicable to a number of renewable technologies.
- All licensed electricity suppliers are required to make payments into Ofgem's levelisation fund, based on their market share of the GB electricity supply market.
- The levelisation fund is then redistributed to FIT Licensees that have made more payments than they would be required to by their market share contribution.
- FIT Licensees are responsible for registering eligible installations, processing generation data and making payments.
- Ofgem is responsible for running the behind the scenes administration of the FITs scheme, while DECC is responsible for the policy.

Further information on FIT activity

The activity described in this newsletter relates to the first year of the FIT scheme (1 April 2010 and 31 March 2011). For more up to date details on the FIT activity, please refer to the FIT Summary or FIT Installation Statistical Reports available from the Public Reports section of the Renewables and CHP Register:

<https://www.renewablesandchp.ofgem.gov.uk>.

FITs Activity 1 January – 31 March 2011

Table 1: Number of FIT installations by quarter (including installations migrated from the Renewables Obligation during that period). It should be noted that these figures are subject to minor changes.

1 April 2010 – 31 March 2011	Installations registered in Q1	Installations registered in Q2	Installations registered in Q3	Installations registered in Q4	Total
Hydro	4	109	48	44	205
Photovoltaic	2,700	7,827	6,698	11,383	28,608
Wind	61	636	331	318	1,346
MicroCHP	0	5	17	78	100
Anaerobic digestion	0	0	2	1	3
Total	2,765	8,577	7,096	11,824	30,262

In the first twelve months of the Feed-in Tariff scheme more than 30 thousand renewable installations were registered with FIT Licensees. In the fourth quarter of FIT Year 1 alone, 11,824 installations were registered, which represents a 30 per cent increase in the number of installations registered in the third quarter.

Table 1 shows the total number of FIT installations registered throughout the four quarters of FIT Year 1 and the breakdown of installations by technology type. As in the previous quarters photovoltaic were (PV) installations dominated the total number of registered installations (over 96 percent of all installations registered between 1 January and 31 March 2011 are PV).

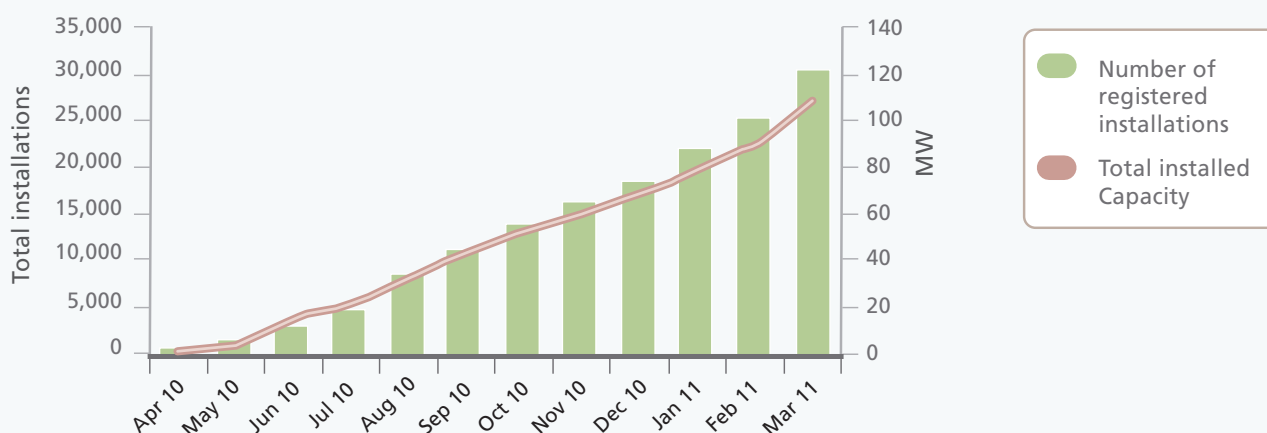
Additionally, the number of micro-CHP installations registered increased to 78 in the final quarter of the year. With the

exception of micro-CHP and PV, the number of registered installations in the final quarter remains broadly consistent for all other technologies.

Chart 1 highlights the monthly growth in the number and relative installed capacity of installations under the Feed-in Tariff during FIT Year 1. The chart shows an increase in the monthly uptake of installations from a few hundred in April 2010 to more than 5,000 a month by March 2011.

The chart also shows the relationship between the number of installed installations and total installed capacity. It shows that the number of installations increased at a greater rate than the total installed capacity, suggesting that in the later months of FIT Year 1 that the majority of newly accredited installations were microgenerators.

Chart 1: Registered FIT installations by number and total installed capacity (1 April 2010 - 31 March 2011)



FITs Yearly Activity 1 April 2010 – 31 March 2011

Chart 2 illustrates the percentage of total installed capacity of registered installations by technology in the first twelve months of the scheme. The share of installed capacity of photovoltaic installations increased in the final 3 months from 66 percent in the first nine months of the scheme to 72 percent after twelve months.

Unlike photovoltaic installations, the share of installed capacity of wind and hydro technologies both fell to 17 percent and 9 percent respectively. The total installed capacity of all registered installations at the first year was more than 108MW, an increase of 40MW from December 2010.

Chart 2: Total installed capacity by technology type for 1 April 2010 - 31 March 2011

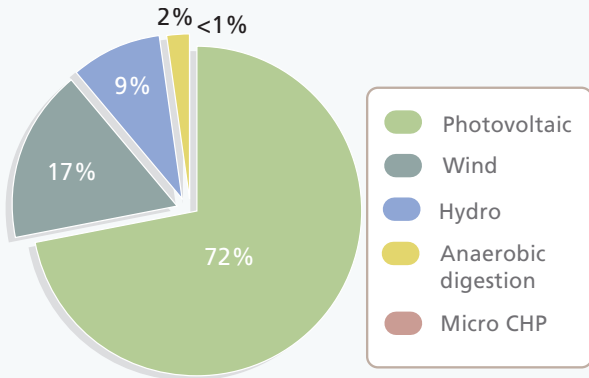


Chart 3: Total installed capacity by installation type for 1 April 2010 - 31 March 2011

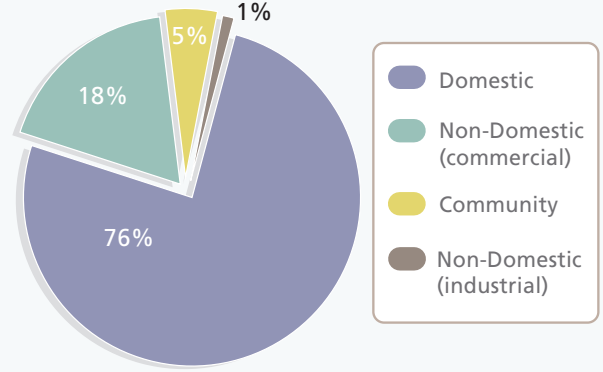


Chart 3 represents the total installed capacity of registered installations by installation type in the first 12 months of the FIT scheme. The share of installed capacity in the domestic and community sector remains relatively consistent with the activity reported in the first nine months of the scheme, with a slight

increase in the proportion of domestic against commercial capacity. The proportion of total installed capacity of industrial and community installations remained relatively static throughout the year.

Regional breakdown of FITs activity - 1 April 2010 – 31 March 2011

Chart 4: Regional breakdown of installed capacity by technology (MW)

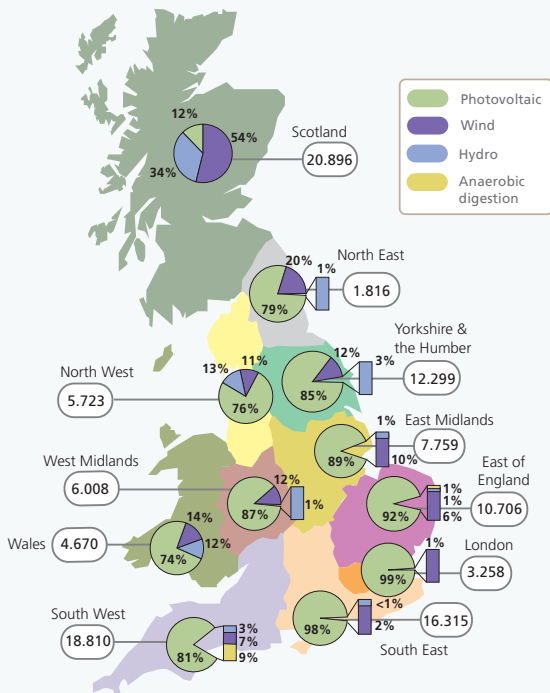
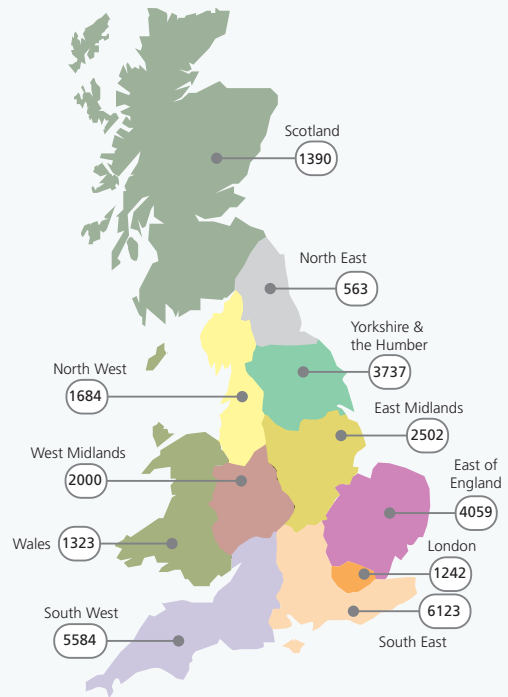


Chart 4 illustrates the regional breakdown of the installed capacity by technology and region within Great Britain. Following the trend in the first nine months of the scheme, the proportion of photovoltaic capacity increased in most of the regions.

The only exception to this was in the South West, where we observed an increase in the proportion of Anaerobic Digestion. Meanwhile Scotland (20.9MW), the South West (18.6MW) and the South East (16.3MW) remain the areas with the highest installed capacity. Together

Chart 5: Regional breakdown of registered installations



they account for more than 50 percent of the total installed capacity in Great Britain.

The total installed capacity of MicroCHP is 101kW, which represents 0.09 percent of the total installed capacity. Because this figure is negligible compared to the overall picture, this technology has been removed from Chart 4. MicroCHP installations have been installed in all regions across Great Britain.

Regional breakdown of FITs activity - 1 April 2010 – 31 March 2011 continued

Chart 5 represents the regional breakdown of the number of installations under the Feed-in Tariff scheme. All regions within Great Britain saw significant increases in the number of installations from 1 January to 31 March 2011, particularly in the South West and the

South East, with increases of 2,199 and 2,369 respectively. These two regions now account for more than a third of all registered FIT installations in Great Britain.

FIT Levelisation process

The fourth periodic levelisation process of the FIT scheme covered the period of 1 January to 31 March 2011 and took place in April and May 2011.

As part of the levelisation process, all licensed electricity suppliers (regardless of FIT participation status) are required to make payments into Ofgem E-Serve's levelisation fund, based on their market share of the Great Britain electricity supply market and any FIT payments. The fund is then redistributed to FIT licensees that have made more payments to the generators than they would be required to by their market share contribution.

In the fourth periodic levelisation licensed electricity suppliers reported a total of 87,312,099.34MWh of electricity supplied in that period. Additionally FIT Licensees reported £4,368,938.32 in FIT payments due to generators. This figure includes both generation and export (deemed and metered) payments claimed by generators. This figure is an increase of more than £1.1 million from the third levelisation process and highlights the continued growth of registered installations under the scheme.

The total levelisation pot was calculated to be £5,112,093.32 in the fourth quarter. This figure represents the cost of the scheme in that quarter and includes generation payments, deemed export payments claimed by the generators, the Qualifying (administration) costs incurred by FIT Licensees, minus the value of deemed export to the licensed electricity suppliers.

Ofgem E-Serve calculated that £2,247,020.90 was to be paid into the levelisation fund collectively by the licensed electricity suppliers. All payments owed into the fund were made, and this amount was successfully redistributed to all FIT Licensees that were owed money from the fund, by 11 May 2011.

The first periodic levelisation process of FIT Year 2 is due to commence on 1 July 2011 and will cover the period 1 April to 30 June 2011. A timetable for the periodic levelisation periods and deadlines is available from the Ofgem website: www.ofgem.gov.uk/fits.

Migration of accredited RO installations to FIT

To date, more than 4,780 installations registered under the Renewables Obligation (RO) have been migrated to the FIT scheme. Of those that

submitted complete information by 17 September, 99.4 percent were migrated by 30 September 2010.

Feed-in Tariff scheme contact details

For information on home electricity generation and how to join the FITs scheme, please contact the Energy Saving Trust on 0800 512 012

Businesses looking to participate in the FITs scheme should contact the Carbon Trust on 0800 085 2005

For information on accreditation of installations below 50 kW and general information about products and installers, please contact Gemserv on 020 7090 1082

For general queries regarding FIT accreditation of installations between 50kW and 5MW, please contact renewable@ofgem.gov.uk or 020 7901 7310

Ofgem FIT Team Contacts

Urszula Thorpe, FIT Compliance Manager
Tel: 020 7901 7290 Email: urszula.thorpe@ofgem.gov.uk

Dale Winch, Assistant Manager FIT Compliance
Tel: 020 7901 7236 Email: dale.winch@ofgem.gov.uk

Anna Moule, Central FIT Register Manager
Tel: 020 7901 1829 Email: anna.moule@ofgem.gov.uk

Daniel Murray, Assistant Central FIT Register and Fraud Prevention Manager
Tel: 020 7901 1882 Email: daniel.murray@ofgem.gov.uk

For more information on FITs please visit the Ofgem website: www.ofgem.gov.uk/fits
A list of the current FIT Licensees is available from the Ofgem website: www.ofgem.gov.uk/Sustainability/Environment/fits/rfitls

If you have any comments or suggestions on the information provided within the FIT update or would like to be added to the distribution list, please email fitcompliance@ofgem.gov.uk.