ofgem E-Serve

Feed-in Tariff Update

Issue 7
March 2012

In this quarterly newsletter, we provide an update on the first twenty one 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 third quarter of Year 2 (1 October – 31 December 2011).

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 Great Britain 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 proportion.
- FIT Licensees are responsible for registering eligible installations, processing generation data and making payments.
- Ofgem is responsible for the administration of the FITs scheme, while DECC is responsible for the policy.

Feed-in Tariff key figures - as of 31 December 2011

- **A total of 147,112 renewable installations have been registered under the scheme since 1 April 2010.**
- **661.07MW of Total Installed Capacity has been registered under FITs since 1 April 2010.**
- **A total of £35,937,530.86 in FIT payments were due to generators in the quarter 1 October 2011 to 31 December 2011.**

FITs statistics last quarter

(1 October 2011 – 31 December 2011)

The figures used in this report are FIT installations extracted from Ofgem's Central FIT Register. For statistics on Microgeneration Certification Scheme numbers please refer to the DECC website (www.decc.gov.uk/FITs).

More than 145,000 installations were registered under the Feed-in Tariff scheme from 1 April 2010 to 31 December 2011. Of this total, more than 65,000 installations were registered within the last three months alone, representing a significant increase in the uptake of installations now covered under the scheme. **Table 1** illustrates the breakdown of the number of FIT installations by quarter and by technology. Continuing from previous quarters, photovoltaic installations continue to represent the vast majority of newly registered installations at over 99 percent of all installations registered between 1 October and 31 December 2011. This was the largest quarterly uptake for this technology type since the commencement of the scheme, at over 65,930 new installations. Additionally, during this period 235 wind and 61 MicroCHP installations were registered.

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Table 1: Number of FIT installations by quarter. Figures are subject to change.

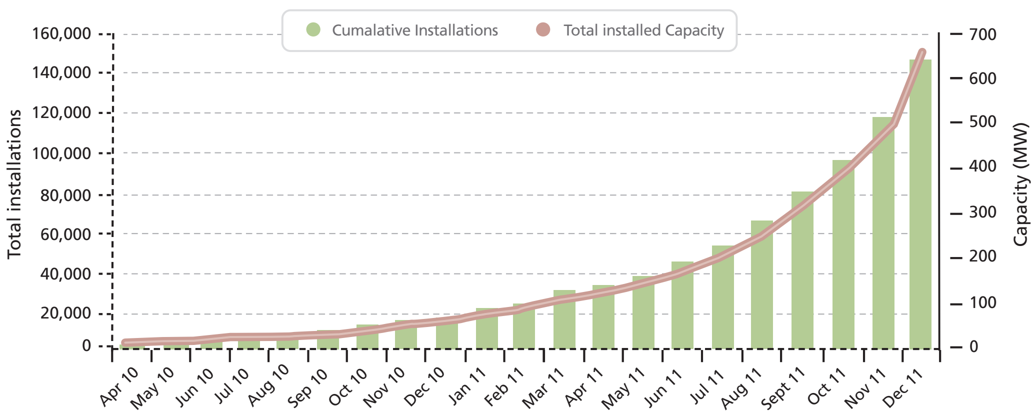
	Installations registered in Q1	Installations registered in Q2	Installations registered in Q3	Installations registered in Q4	Installations registered in Q5	Installations registered in Q6	Installations registered in Q7	Total
Hydro	4	108	48	44	14	18	18	254
Photovoltaic	2,698	7,813	6,663	11,378	14,532	35,436	65,930	144,450
Wind	60	632	330	316	185	321	235	2,079
MicroCHP	0	5	17	78	58	96	61	315
Anaerobic digestion	0	0	2	1	2	5	4	14
Total	**2,762**	**8,558**	**7,060**	**11,817**	**14,791**	**35,876**	**66,248**	**147,112**

FITs activity since the start of the scheme

Chart 1 shows the cumulative growth in both the number of installations and Total Installed Capacity (TIC) registered under the scheme since 1 April 2010. The significant uptake in both TIC and number of installations is clearly shown on the chart in the most recent months.

As of 31 December 2011, more than 660MW of TIC had been registered under the scheme. This figure is an increase of almost 110 percent on the TIC figure of 316MW from 30 September 2011.

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



The charts below highlight the breakdown of TIC by installations under the FIT scheme from 1 April 2010. **Chart 2** separates out TIC by technology type under the scheme. The chart highlights the significance of photovoltaic installations which make up around 90 percent of all installed capacity. This is an increase in total capacity from 83 percent in September 2011. Additionally, wind and hydro installations make up 5 and 3 percent respectively, while the proportion of anaerobic digestion installations has declined to 2 percent of total capacity.

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

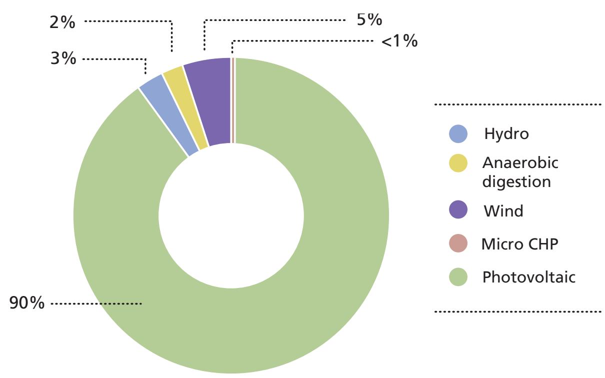
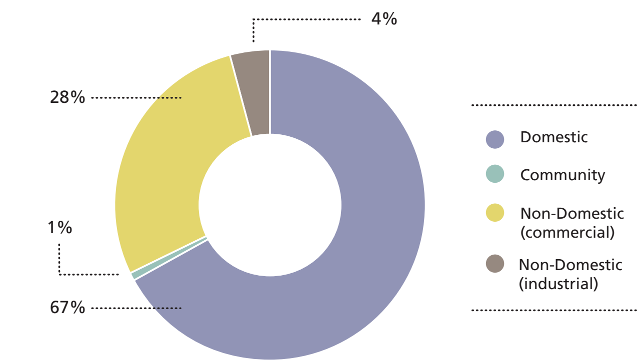


Chart 3: Total installed capacity by installation type for 1 April 2010 - 31 December 2011



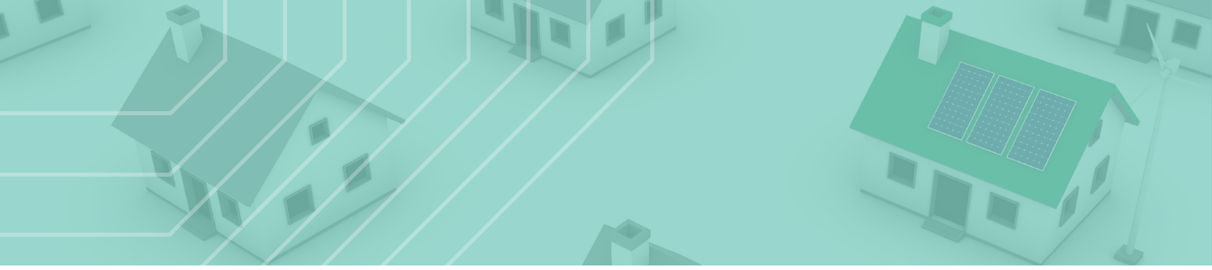


Chart 3 represents the TIC of registered installations by installation type since 1 April 2010. The share of installed capacity in the domestic sector remains the largest at 67 percent of total registered capacity, although this figure has fallen from 73 percent in the previous quarter. Total installed capacity of commercial installations has increased to 28 percent of the total, due to an increase in the number of large commercial installations. Community and industrial installations make up the remaining 5 percent of capacity.

Regional breakdown of FITs activity - 1 October 2011 – 31 December 2011

Figure 1: Regional breakdown of installed capacity by technology (MW)

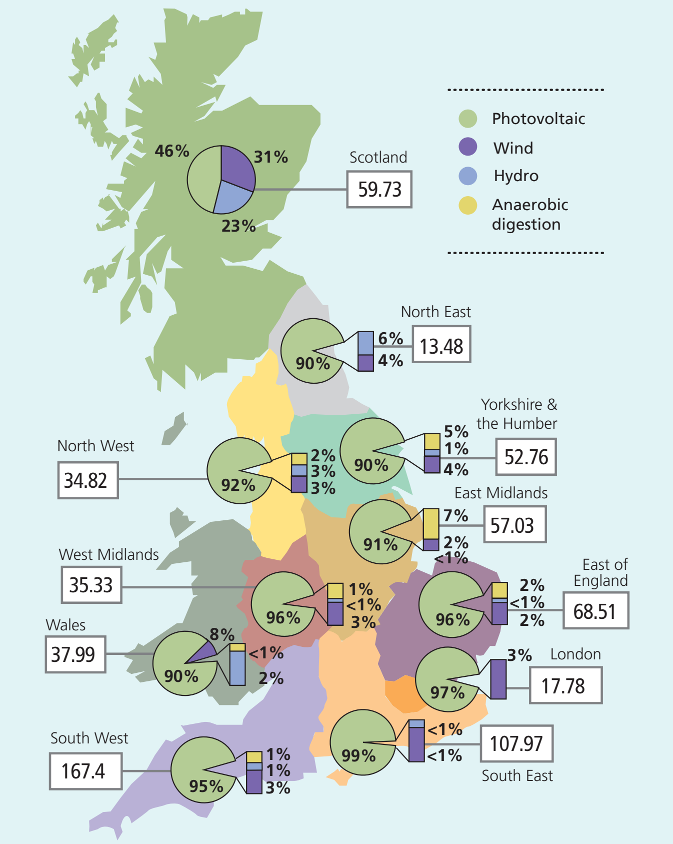


Chart 4: Regional breakdown of registered installations

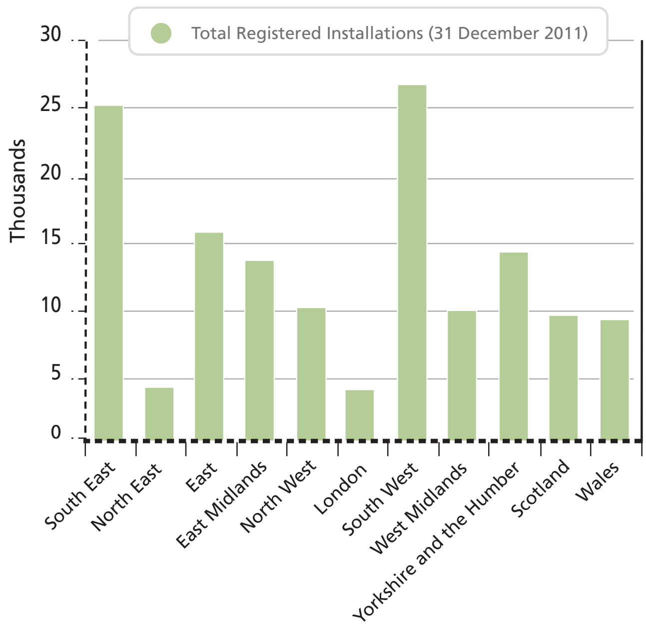


Figure 1 shows the regional breakdown of installed capacity by technology and region within Great Britain as at 31 December 2011. As is shown in Table 1 and Chart 2, photovoltaic installations continue to make up the vast majority of FIT accredited installations across Great Britain. Most regions saw an increase in the proportion of photovoltaic installations; Scotland saw the greatest increase from 31 percent from 1 October 2011 to 46 percent, while Wales experienced an increase from 77 percent to 90 percent and the East Midlands experienced a 10 percentage point increase in PV installations the East Midlands. The high national uptake of PV may be explained in part by DECC's 31 October 2011 comprehensive review and 12 December 2011 reference date change in tariff rates.

When analysing changes in TIC between 1 October 2011 and 31 December 2011, in every region, the percentage of photovoltaic installations increased. The only exception to this was in the East of England, where photovoltaic remained at 96 percent of TIC.

The South West and South East are the regions with the highest installed capacity in Great Britain, with regional capacities of over 100MW. The largest percentage increase in installed capacity took place in the North East which increased from 5.4MW to 13.5MW, an increase of 151 percent.

Between 1 October 2011 and 31 December 2011 the West Midlands registered its first Anaerobic Digestion installation, with a capacity of 0.5MW. At present, the East Midlands has the highest installed capacity of Anaerobic Digestion stations at 4MW at 31 December 2011.

As of 31 December 2011 the TIC of MicroCHP installations was 318kW which represents approximately 0.05 percent of TIC under the FITs Scheme. Since this figure is negligible compared to the TIC of other technologies within FITs, this technology has been removed from the regional breakdowns in Figure 1.

MicroCHP installations have been accredited in all regions across Great Britain.

Chart 4 illustrates the regional breakdown of the number of installations under the FIT scheme in Great Britain since its commencement. The number of installations across all regions continues to increase significantly, in particular in the South West and South East. The number of installations in these regions each increased by more than 22,000 since 1 October 2011.

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FIT Levelisation process

From data submitted as part of the most recent FIT levelisation process, a total of 78,979,523MWh of relevant electricity was supplied by energy supply companies from 1 October 2011 to 31 December 2011 to all customers.

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 latest levelisation process, the total levelisation pot was calculated to be £38,869,395.32. This figure represents the cost of the scheme in that quarter and includes generation payments, deemed export payments claimed by generators, the qualifying (administration) costs incurred by FIT Licensees, minus the value of deemed export to the licensed electricity suppliers. This figure is an increase of more than £13 million on the previous quarter (1 July to 30 September 2011).

As a part of the quarterly process, a total of £35,937,530.86 in payments were reported by FIT Licensees. This figure includes both generation and export (deemed and metered) payments claimed by installations registered under the scheme. This figure is an increase of more than £11 million from the previous quarterly levelisation process and demonstrates the continued substantial increase in registrations under the Feed-in Tariff scheme.

Ofgem calculated that a total of £15,552,672.61 was due to be paid into the levelisation fund collectively by licensed electricity suppliers in this quarter. All owed payments were successfully received by Ofgem, and the fund was redistributed to those FIT Licensees that were owed money from the fund.

The fourth quarterly periodic levelisation process of FIT Year 2 is due to commence from 1 April 2012 and will cover the quarter 1 January 2012 to 31 March 2012.

An updated timetable for the periodic levelisation periods and deadlines in Year 2 is available from the Ofgem website: www.ofgem.gov.uk/fits.

Additional information on FITs activity

The information described in this newsletter relates to the activity in the FIT scheme from 1 April 2010 until 31 December 2011, in addition to the activity in the last quarter. 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.

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

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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.