

Feed-in Tariff Update

www.ofgem.gov.uk

September 2014

Issue 17

In this quarterly report we provide a summary of the statistics for the first quarter of FIT Year 5 (1 April – 30 June 2014) and a statistical overview of FIT activity since the start of the scheme.

The figures used in this report are based on FIT installation figures extracted from Ofgem's Central FIT Register. For statistics regarding Microgeneration Certification Scheme (MCS) figures, which show the number of sub 50kW solar photovoltaic installations and capacity installed that are recorded on the MCS Installation Database, please refer to the DECC website (www.gov.uk/government/organisations/department-of-energy-climate-change/series/feed-in-tariff-statistics).

The Feed-in Tariff (FIT) scheme

- The FIT scheme is a Government Programme introduced on 1 April 2010 and is designed to promote the uptake of a number of small-scale renewable and low-carbon electricity generation technologies.
- It is available through licensed electricity suppliers and requires some of them (FIT Licensees) to pay tariffs to generators for renewable and low-carbon electricity generated and exported.
- FIT Licensees are responsible for accrediting eligible Solar PV and Wind installations with a Declared Net Capacity not exceeding 50kW, and micro-CHP installations with a Declared Net Capacity up to and including 2kW, which are Microgeneration Certification Scheme (MCS)-certified. The MCS is an independent certification body. FIT Licensees are also responsible for processing generation and export data and making FIT payments.
- Ofgem is responsible for the administration of the FIT scheme, including maintenance of the Central FIT Register, monitoring Supplier compliance and administering the Levelisation process. Ofgem is also responsible for accrediting Solar PV and Wind installations with a Declared Net Capacity greater than 50kW and all Anaerobic Digestion and Hydro installations. It is also responsible for verifying community/school status.
- The Department of Energy and Climate Change (DECC) is responsible for the FIT scheme policy and legislation.

FIT Key Statistics: Beginning of FIT Year 5 (1 April 2010 – 30 June 2014)

- ▶ A total of 501,223 installations have been registered under the scheme as of 30 June 2014.
- ▶ 2,582.76MW of Total Installed Capacity has been registered under the scheme as of 30 June 2014.
- ▶ A total of £206,939,949.35 in FIT payments were made to generators for the quarter 1 April to 30 June 2014.

FIT Statistics for First Quarter of FIT Year 5 (1 April – 30 June 2014)

The milestone of 500,000 installations that have been registered under the FIT scheme since its introduction on 1 April 2010 was met during the last quarter. A total of 30,388 installations have been registered in this quarter, representing just over 6% of the total number of installations since the start of the scheme. The number of installations registered in this quarter is 25% more than in the previous quarter (1 January – 31 March 2014) when 22,749 installations were registered. The registered capacity in this quarter is 197.46MW which represents 7% of the Total Installed Capacity of the scheme as a whole. These trends are shown in Tables 1 and 2.

Table 1: Number of registered FIT Installations by technology since April 2010 until the end of the last quarter, with the last 12 months broken down into quarters. Figures are subject to change.

	Apr 2010 - Jun 2013	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Total Installations
Hydro	385	23	17	26	25	476
Photovoltaic	392,263	25,809	23,905	22,492	29,967	494,436
Wind	4,798	146	199	212	372	5,727
Micro CHP	456	9	7	4	6	482
Anaerobic Digestion	53	10	6	15	18	102
Total	397,955	25,997	24,134	22,749	30,388	501,223

Of the 30,388 installations registered in this quarter, the largest proportion consists of Solar PV installations (98.6%). The number of Solar PV installations registered in this quarter also increased by 33% from the previous quarter. Meanwhile, there has been a notable increase in the number of Wind installations registered in this quarter at 372 installations, which equates to a 75% increase from the previous quarter and represents 6.5% of all Wind installations. The number of Anaerobic Digestion installations registered in this quarter compared with the last quarter has increased by a further 20%, whilst a further 6 Micro CHP installations were registered in this quarter.

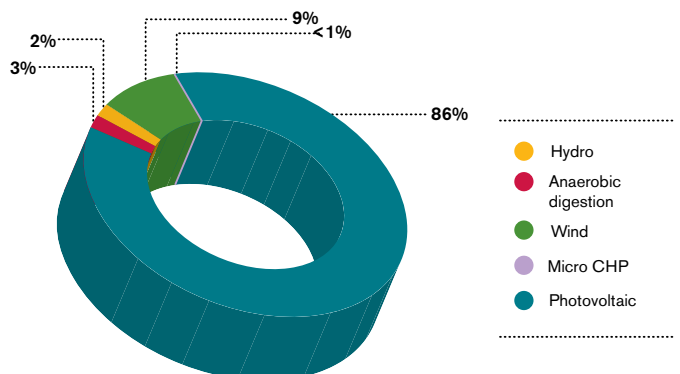
Table 2: Total Installed Capacity (MW) by technology since April 2010 until the end of the last quarter, with the last 12 months broken down into quarters. Figures are subject to change.

	Apr 2010 - Jun 2013	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Total Installations (MW)
Hydro	37.36	1.75	3.57	3.54	1.42	47.64
Photovoltaic	1,682.40	138.64	127.48	107.39	150.49	2,206.40
Wind	150.28	23.15	20.55	20.71	27.74	242.43
Micro CHP	0.47	0.01	0.01	0.00	0.01	0.49
Anaerobic Digestion	45.88	6.36	2.29	13.47	17.80	85.80
Total	1,916.39	169.91	153.90	145.11	197.46	2,582.76

Of the 197.46MW of Total Installed Capacity registered in this quarter, the largest proportion consists of Solar PV installations (76.21%). There was a 40% increase in the Total Installed Capacity of Solar PV installations in this quarter compared to the previous quarter. There was also a 33.9% and 32.1% increase in the Total Installed Capacity of Wind and Anaerobic Digestion installations respectively in this quarter compared to the previous quarter, which aligns with the increase of the number of installations for both technologies registered over the same period. Meanwhile, there was a decrease of 59.9% in the Total Installed Capacity for Hydro installations registered in this quarter compared to the last quarter. Hydro and Micro CHP still remain the installations with the lowest Total Installed Capacity of 1.42MW and 0.01MW respectively for this quarter.

Chart 1: Total Installed Capacity by technology type for 1 April 2010 - 30 June 2014

Chart 1 highlights the continued dominance of Solar PV installations, at 86% of Total Installed Capacity. Wind installations constitute 9% of the Total Installed Capacity, while Anaerobic Digestion and Hydro installations then make up 3% and 2% each of the total. The remaining capacity of less than 1% is made up of Micro CHP installations.



FIT Activity: Beginning of FIT Year 5 (1 April 2010 – 30 June 2014)

Chart 2: Cumulative Registered FIT Installations by Month (1 April 2010 - 30 June 2014)

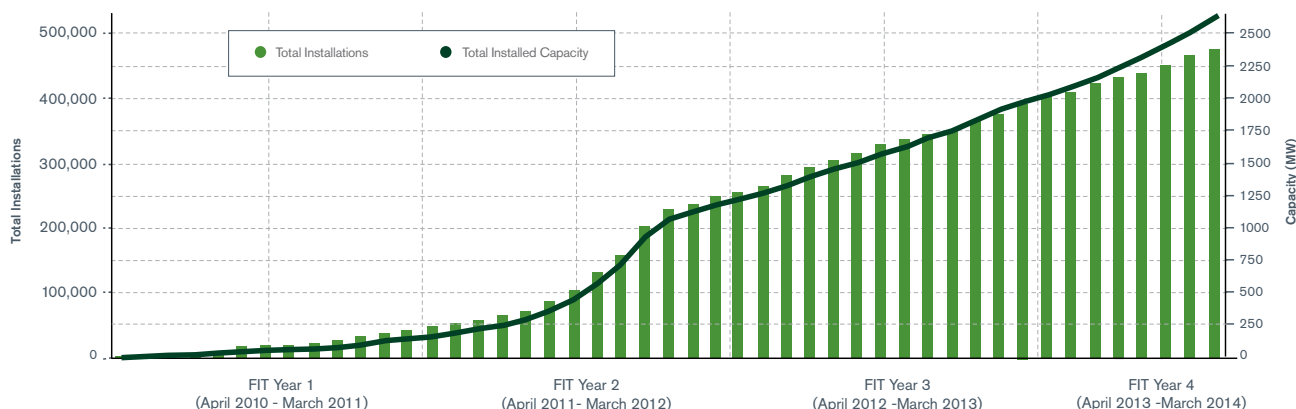


Chart 2 illustrates the cumulative growth in both the number of installations and Total Installed Capacity registered under the scheme. The chart highlights the change in registration trends across the scheme since April 2010. Of note is the gradual but consistent uptake of installations across the scheme over the last two years and the rate of increase in capacity being consistently greater. Between the beginning of FIT Year 3 and FIT Year 5, the number of installations has increased by 41% whereas the Total Installed Capacity has increased by 57%.

Regional Breakdown of FIT Activity

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

Figure 1 demonstrates that the South of England has the highest Total Installed Capacity, with 521.96MW for the South West and 343.57MW registered for the South East. London has the lowest Total Installed Capacity with 54.44MW followed by the North East with 85.43MW. All other regions of Great Britain have between 167-281MW of registered Total Installed Capacity.

Since the previous quarter's update there has been very little change in the split of capacity by technology in each region.

Solar PV installations make up 84% or more of the Total Installed Capacity in each region except for Scotland where it accounts for just 48% of the Total Installed Capacity. As per the previous quarter, the percentage of Solar PV capacity this quarter is marginally higher in the Southern areas of England with the South East, South West and London regions having 91% or more Solar PV capacity. Eastern regions (East of England, East Midlands, Yorkshire and The Humber and North East regions) have 88% or less Solar PV capacity.

The regions in England make up 83.5% of Total Installed Capacity under the scheme with Wales making up 6.5% and Scotland 10%.

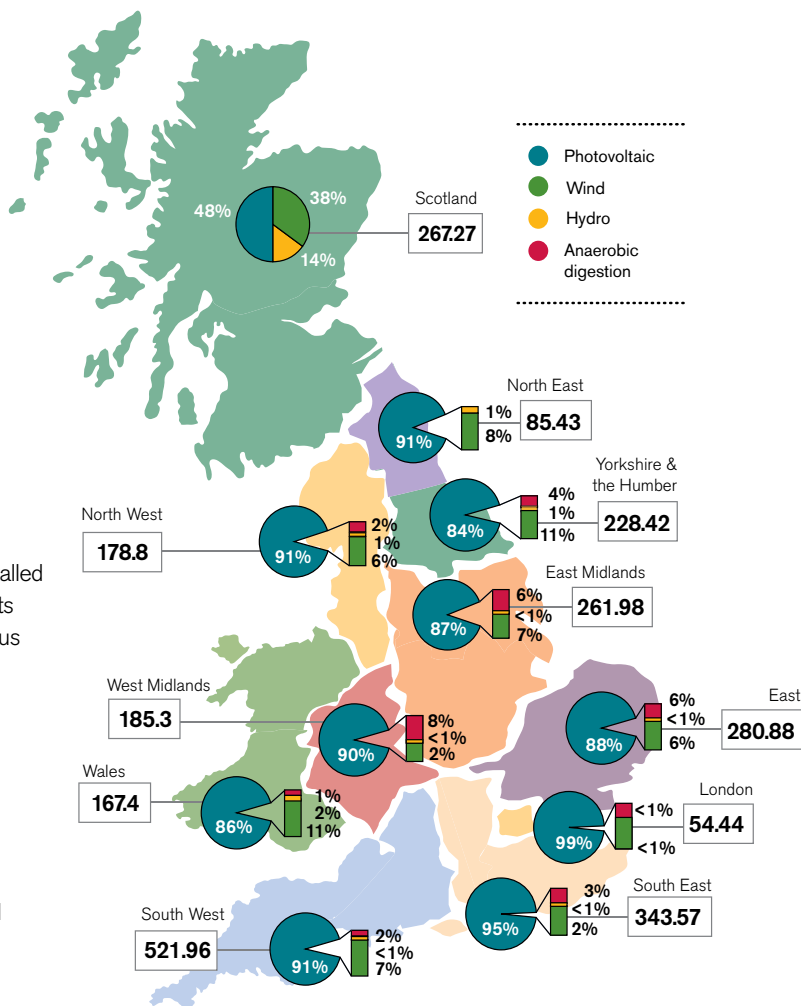
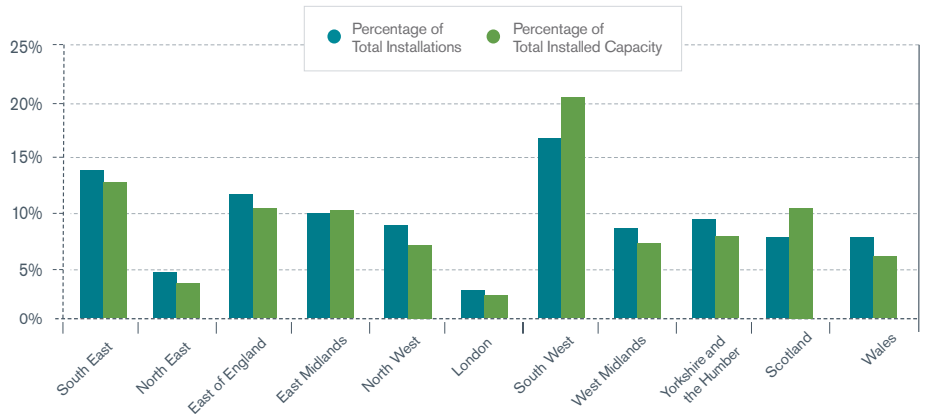


Chart 3 focuses on the regional breakdown of installations and capacity under the FIT scheme to 30 June 2014. The South West region still remains the holder of the highest number of FIT registered installations with 79,758. In addition, the South West also has the greatest Total Installed Capacity. The South East is the next highest region in both total numbers and installed capacity. London accounts for both the smallest number of installations and the smallest capacity per installation on average. Scotland has on average larger installations than any other region with an average Total Installed Capacity of 7.36kW.

Chart 3: Percentage share of Total Installations & Total Installed Capacity by region



FIT Levelisation Process

The most recent Periodic Levelisation process covered the period 1 April to 30 June 2014 and was completed on 11 August 2014. Licensed Electricity Suppliers reported a total of 66,650,261 MWh of relevant electricity supplied during this period.

As part of the Periodic 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 taking account of any FIT payments they make to generators. The fund is then redistributed to FIT Licensees that have made more payments to generators than they would be required to by their market share contribution. The Levelisation Fund 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 Licensed Electricity Suppliers.

In the latest Periodic Levelisation period, the total Levelisation Fund was £208,741,484.41, of which £206,939,949.35 were made in FIT payments to generators. This represents an increase of nearly £75 million from the previous quarter's Levelisation Fund (1 January to 31 March 2014) which is likely a result of seasonal variation in generation from renewable technologies. Total FIT payments also saw an increase of just over £70 million from the previous Periodic Levelisation quarter, which includes both generation and export (deemed and metered) payments claimed by installations registered under the scheme. All owed payments were received by Ofgem, and the fund was successfully redistributed to those FIT Licensees that were owed money.

The second quarterly Periodic Levelisation process of FIT Year 5 is due to commence from 1 October 2014 and will cover the quarter 1 July to 30 September 2014.

A timetable for the Levelisation periods and deadlines for FIT Year 5 is available from the Ofgem website: www.ofgem.gov.uk/fits.

Additional information on FIT activity

The information described in this report relates to activity in the FIT scheme from 1 April 2010 – 30 June 2014. For more up to date details on 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: www.renewablesandchp.ofgem.gov.uk.

Statistics on FIT scheme activity can also be found on the DECC website: www.gov.uk/government/collections/feed-in-tariff-statistics

Feed-in Tariff scheme contact details

For information on home or business electricity generation and how to join the FIT scheme, please contact the Energy Saving Trust on **0300 123 1234 (England and Wales)** or **0808 808 2282 (Scotland)**

For information on accreditation of Wind and Solar PV installations below 50kW and micro-CHP plus general information about MCS products and installers, please contact Gemserv on **020 7090 1082**

For general queries regarding FIT accreditation of Wind and Solar PV installations between 50kW and 5MW and all Hydro and AD installations, please contact **ROOFIT@ofgem.gov.uk** or **020 7901 7310**

For more information on FITs, including a list of the current FIT Licensees, please visit the Ofgem website: www.ofgem.gov.uk/fits

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 FITupdate@ofgem.gov.uk