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Feed-in Tariffs Annual Levelisation Process (2015-2016)

On 27 September 2016 the annual reconciliation process for the Feed-in Tariffs (FIT) scheme covering the period 1 April 2015 to 31 March 2016 was successfully completed. The annual process reconciled all payments made as part of the quarterly processes within the sixth year of the FIT scheme.

The total Levelisation Fund for the year was calculated at **£1,110,044,917.18**. This figure represents the cost of the scheme during the annual period, and consists of the Total Generation Payments, Export (Deemed only) Payments, and Qualifying (administration) Costs, minus the Value of Deemed Export to licensed electricity suppliers.

A total of **£1,133,856,009.35** was reported by FIT Licensees as having been made to installations registered under the scheme. This figure includes a total of £1,089,041,586.24 of renewable Generation payments and £44,814,423.11 of Metered and Deemed Export payments.

In order to complete the annual reconciliation process, a total of £31,694,920.90 was paid into the Levelisation Fund, and subsequently redistributed to licensed electricity suppliers. All suppliers that owed money into the Levelisation Fund made these payments. The redistribution of the Levelisation fund by Ofgem E-Serve to licensed electricity suppliers, that were owed money from the fund, concluded the annual reconciliation process for the 1 April 2015 to 31 March 2016 period.

Background information:

1. The Feed-in Tariff 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 (installation owners) for electricity generated and exported.

2. FIT Licensees are responsible for registering eligible installations, processing generation data, and making payments, while all licensed electricity suppliers are required to participate in Ofgem E-Serve's levelisation process.

3. The levelisation process is currently a quarterly procedure, with an annual reconciliation process at the end of each FIT year (1 April – 31 March).

4. During each levelisation process all licensed electricity suppliers are required to provide information to Ofgem on how much electricity they have supplied for the relevant period. FIT Licensees are also required to submit information on any FIT payments claimed by generators in this period. Using this data, along with any claimed qualifying (administration) costs, Ofgem E-Serve calculates the amount owed by licensed electricity suppliers into the Levelisation Fund, based on the electricity supply market share of each supplier in Great Britain. This allows for the scheme costs to be redistributed evenly among all Licensed Electricity Suppliers. 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.

5. More detailed information on the Feed-in Tariff scheme for the 2015-16 period will be made available in the FIT Annual Report for Year 6, due for publication by 31 December 2016 on the Ofgem website.